THE JOURNAL OF AMERICAN CITIZENSHIP

POLICY REVIEW

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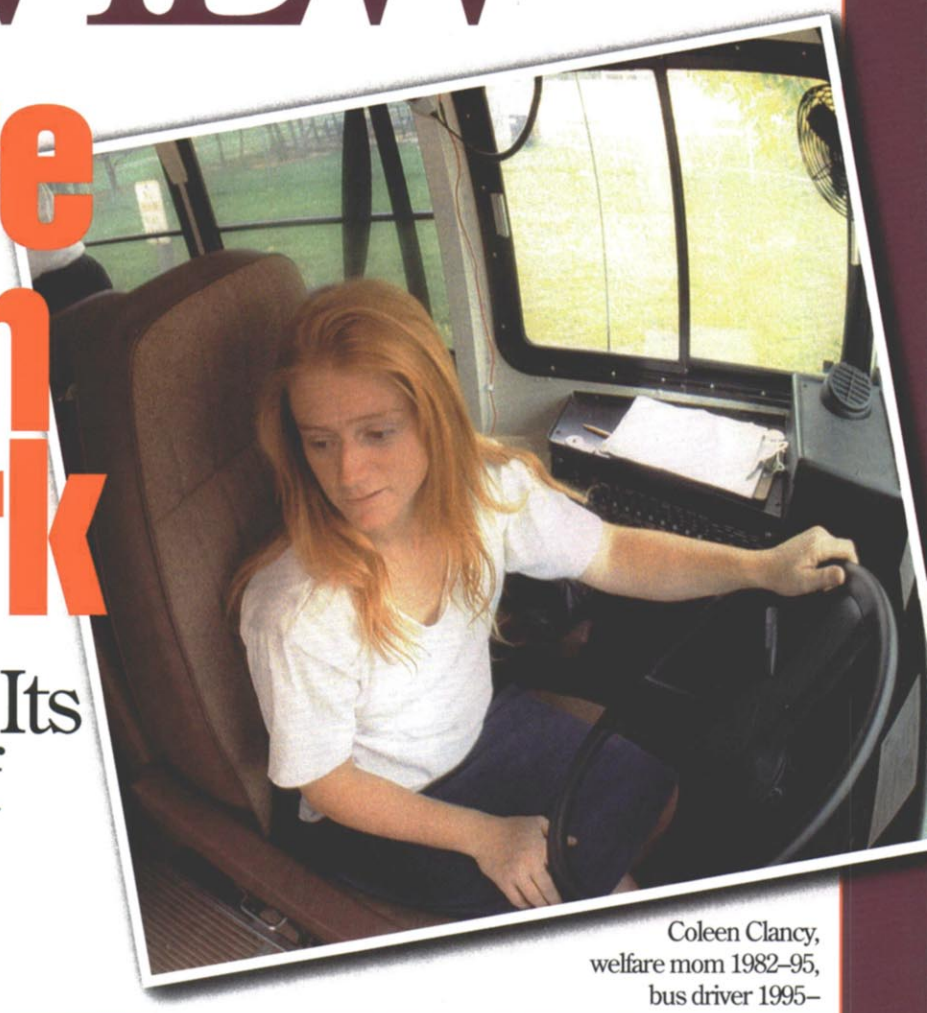
Welfare Reform At Work

Wisconsin Cuts Its Caseload in Half

By Robert Rector



Coleen Clancy,
welfare mom 1982–95,
bus driver 1995–

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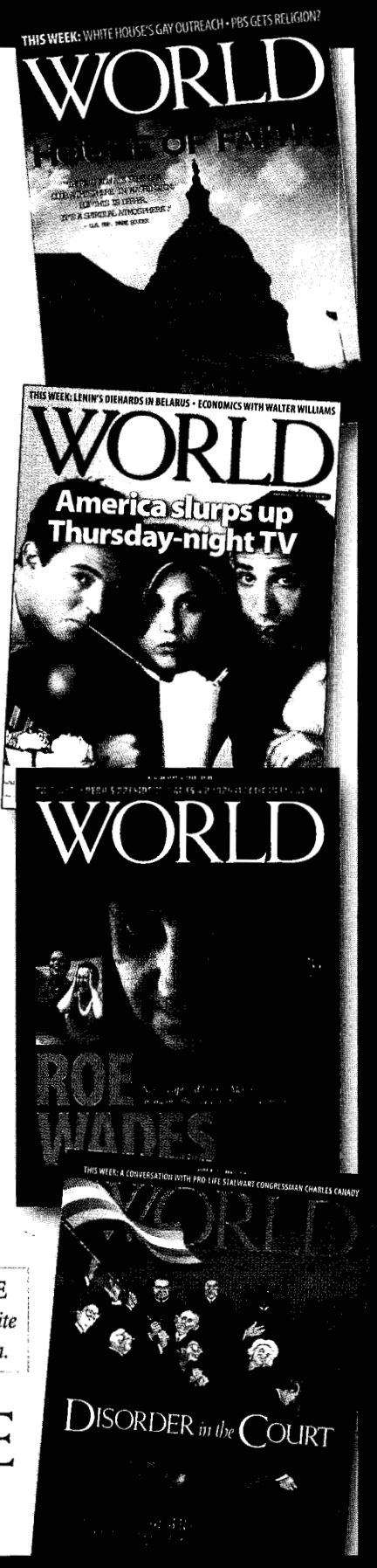
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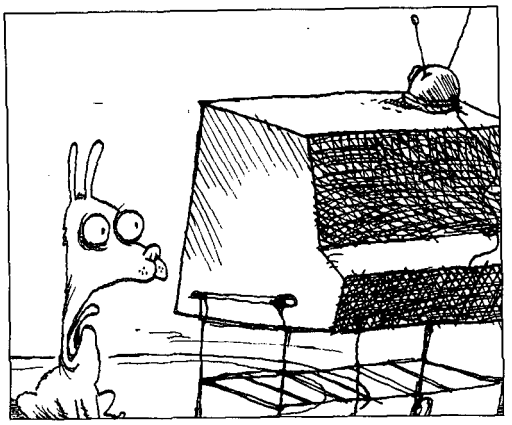

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> A wise and frugal government . . . shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits . . . and shall not take from the mouth of labor the bread it has earned.
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> —Thomas Jefferson
> *First Presidential Inaugural Address, March 4, 1801*

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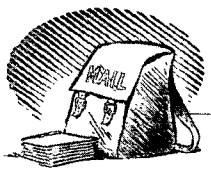

Correspondence

Values and Vouchers

To the Editor:

Douglas Dewey's "An Echo, Not a Choice" (November-December 1996) brings a breath of fresh air to the debate over school vouchers. I once believed in vouchers when the only opponents I had to argue with were liberals. Their arguments were easy to refute. But it was conservative arguments like Dewey's that led me to oppose vouchers.

Although he focuses on the Christian case against vouchers, as a hard-core secularist I object as strongly as Dewey does to government-controlled schools teaching children "values." When I wrote a long paper for the Hoover Institution making the case for vouchers, I was never able to answer one question: "How do you have vouchers without government control?" I finally figured out the answer: You can't.

"Yes, but," I said to myself at the time, "vouchers have to be good. That's why unions oppose them." But the fact that the characters of many union leaders are questionable says nothing about whether their position on vouchers is right or wrong. Union leaders probably think that eating with clean hands is a good idea, too. Should I therefore quit washing my hands before dinner? Moreover, it makes sense that unions would oppose vouchers even if vouchers would solidify their power over private schools. Vouchers mean change, and most everybody, especially bureaucratic unions, hates change. Milton Friedman once pointed out that when income-tax withholding was introduced during World War II, its strongest opposition was from employees of the IRS.

David R. Henderson
Research Associate, Hoover Institution
Palo Alto, Calif.

To the Editor:

Douglas Dewey's provocative article drives home the point ignored by all education "reformers": Public education is socialist education, designed from its origins to displace the family and to serve the interests of the state. No adjustment of funding processes can undo that fundamental reality. "Voucher" and "tuition tax credit" schemes will only serve in the long run to subordinate religious and private schools to state ends.

I would add only one item to Dewey's list of policy prescriptions. The way for governments to help young families provide for the education of children is to offer massive tax relief, tied to the number and age of children in the family (and not their school status). Income-tax exemptions of $8,000 per child or tax credits of $1,800 per child would work at the federal and state levels. Per-child offsets against property tax could be provided at the local level.

Beyond this recognition of the special nature and social worth of children, let parents and markets determine the best methods of rearing the next generation. The results will be pleasantly surprising.

Allan C. Carlson
President, Rockford Institute
Rockford, Ill.

Social Workers' Welfare

To the Editor:

I am a social worker, a member of the National Association of Social Workers, and a subscriber to *Policy Review*, and I am anxious for my profession to give welfare reform a chance.

James L. Payne's "Absence of Judgment" (November-December 1996) is an excellent profile of the public face of social work in America today. It is a sobering commentary on the failure of social-work education and leadership that I learned more about social-work history and theory from his description of Octavia Hill, the 19th-century British social worker, and from Marvin Olasky's book, *The Tragedy of American Compassion*, than I did in graduate studies and 20 years of social-work practice.

Conservative social workers do exist. Many do not agree with the present positions of either political party, but all believe in human potential: They believe that clients are capable of self-help, that material assistance blocks self-sufficiency, and above all, that the client must have the right to fail. Some of us are convinced that welfare creates so many barriers to self-sufficiency that, taken as a whole, it is doing more harm than good and that the entire system should be terminated if it cannot be adequately reformed.

It is extremely difficult to raise this viewpoint within the assistance community, as it runs counter to the indoctrination social workers receive and challenges the self-interest of the established agencies. There is a great need for a forum where dissenters can fashion a truly constructive model of social assistance.

Jack M. White Jr.
Chevy Chase, Md.

To the Editor:

James Payne's knowledge of the social-work profession is skimpy, based on stereotypes generated in the news media, and infused by his own prejudices about the causes of poverty. Poverty is caused by a complex interaction between elements of personal inadequacy, social and economic dislocation, race and sex discrimination, and a host of combined psychological and sociological factors that pervade society. The suggestion that social work, as a profession, is the main obstacle to welfare reform is ludicrous.

Payne completely misrepresents who social workers are and what they do. He says they serve as everything from eligibility clerks in welfare offices to career counselors in high schools. There are virtually no professional social workers doing either of these things. Most eligibility workers are high school graduates without college degrees. High school guidance counselors have an educational and training background entirely different from that of professional social work.

Professional social workers receive rigorous education and training in col-

Letters to the Editor

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leges and universities. They graduate with bachelor's and graduate degrees and adhere to a strong code of ethics. If Payne would like to indict the social-work profession for anything, it should be for abandoning public welfare or for playing a smaller role in welfare reform than it should. If welfare reform fails, it may be because not enough social workers participate in the process, not because social workers are standing in the way.

J. Patrick Dexter
Buffalo, N.Y.

To the Editor:

James Payne's article contains serious omissions and inaccuracies that compound the myths surrounding the U.S. welfare system and recent efforts to reform it.

Payne ridicules a 1987 report by the American Public Welfare Association (APWA) asserting that meaningful welfare reform would cost more money than the federal and state governments currently spend on low-income families with children. APWA, a 66-year-old bipartisan organization representing state and local human-service agencies, was not a lone voice nine years ago when it issued that report. In fact, those words are being echoed today.

Republican governor Tommy Thompson of Wisconsin, one of the nation's welfare-reform leaders, is planning to supplement his federal welfare grant with millions of state dollars. In a recent interview with the *Washington Post*, Thompson stated, "It costs more up front to move people from welfare to work because you must invest in child care, health care, job training, and transportation. But in the long run, once you start moving people off the welfare rolls, you save taxpayers money."

Further, Payne inaccurately characterizes APWA's recent position on the new welfare law. He is correct that APWA opposed a broad range of new federal requirements on issues such as the family cap. He fails to point out, however, that APWA did not oppose these very same proposals as options for states—a position consistent with the overall block-grant philosophy of affording states maximum flexibility to design their own state programs.

Although it is true that welfare-reform goals have changed dramatically over the past several years, it is the states that have been on the cutting edge of reform, not the federal government. It is the nation's governors and their human-service commissioners who have reduced the welfare rolls, not the federal government. APWA's goal is to represent state and local agencies that are on the front lines of the battle against welfare dependency and to help them implement the new welfare law. Our positions on welfare reform are bipartisan, balanced, and based on reality rather than rhetoric.

A. Sidney Johnson III
Executive Director
American Public Welfare Assoc.
Washington, D.C.

To the Editor:

"Absence of Judgment" doesn't give full credit to the motives of "professional" social workers: featherbedding. If the number of needy decreases, the number of social workers decreases. A member of my family received the following advice from a social worker: Stop working, because you're about to exceed your Earned Income Credit allowance. Social workers do bring judgment into the process: "What action will maximize my caseload and justify an increase in the number of people in my field?" Therein lies job security and the chance of promotion.

R.A. Blais
Cupertino, Calif.

Unions vs. Regulation

To the Editor:

Aaron Steelman's essay on Samuel Gompers (January-February 1997) was either astonishingly simplistic or disingenuous. It misconceives the nature of Gompers's opposition to government regulation. Gompers's goal was to promote unionization and the power of the American Federation of Labor. He knew government regulation would ultimately weaken the case for unionization. The stated purpose of a union is to use collective bargaining to obtain better working conditions. But if government regulation provides workers with decent living conditions, eight-hour work days, minimum wages, and the like, why do workers need a union?

This was the logic of Bismarck's social policy (an example of which Gompers doubtless was aware). Trade unions lacked power in Bismarck's Germany in large part because government regulation provided them with precisely the protections unions might have obtained. We see the same thing today: The rise of the welfare state went hand-in-hand with the decline of private-sector unionism. Gompers's words may have had a conservative tinge, but only by viewing them from today's perspective. In fact, Gompers's opposition to government regulation was almost wholly self-interested. The irony is that today's union leaders fail to understand what Gompers clearly did, that governments and unions are in competition. And they shouldn't like the competition any more than Gompers did.

Stephen M. Bainbridge
Los Angeles, Calif.

Koop Defends the Corps

To the Editor:

As Surgeon General of the U.S. Public Health Service (PHS) from 1981 to 1989, I had the honor of serving as the uniformed leader of the Commissioned Corps of the PHS. During those years I came to know well the special expertise of the Corps, which has the ability to respond quickly to domestic and international health emergencies. Therefore, I was disturbed by the inaccurate piece by Jessica Gavora ("Doctor, Can I Have This Agency Removed?" January-February 1997), which unfairly characterized the members of the Commissioned Corps as overpaid Washington bureaucrats who spend more time building styrofoam-cup arches than tending to the nation's health.

The duties of Commissioned Corps officers require them to be available 24 hours a day, and they must often work irregular and prolonged hours under exceptionally harsh conditions. Although officers work in each of the agencies of the PHS and in many other federal departments and agencies, 40 percent work in the Indian Health Service, providing direct patient care or environmental health support to American Indian and Alaskan natives. Approximately 500 officers work for the Federal Bureau of Prisons.

The Corps can boast of a number of recent accomplishments: contributing to the successful global campaign to eradicate smallpox, investigating and identifying the AIDS virus and epidemic, identifying and preventing the international spread of the Ebola, Lassa,

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and Marburg viruses, identifying and isolating the infectious agent responsible for the Hanta Fever, and helping to coordinate emergency services after the Oklahoma City bombing and during the Midwest floods of 1993.

Gavora wrongly contends that, during the Persian Gulf War, members of the Corps "marched before Congress" to demand that they not be deployed to help alleviate anticipated shortages of medical personnel in the Defense Department. Although the Assistant Secretary for Health and I both testified before Congress that backfilling Pentagon medical personnel with Commissioned Corps officers would create holes in critical parts of the Public Health Service, individual officers never spoke to the issue. Commissioned Corps officers did, in fact, go to Kuwait, and many more volunteered their services but were not required. Gavora's argument that the Department of Health and Human Services (HHS) should have robbed Peter to pay Paul in utilizing its medical assets is baseless.

In discussing a General Accounting Office (GAO) report concerning potential cost savings if the Corps were replaced with civil servants, Gavora ignores some important facts. First, in a comprehensive response to the GAO report (with which I wholeheartedly concur), HHS refuted GAO's contentions point by point. Second, as part of the department's response to the GAO report, each of the agencies that use the services of commissioned officers described in detail the catastrophic impact on their missions if the Corps were eliminated. Third, the contention that a civil servant could easily replace a presumably more expensive Commissioned Corps officer is simply not borne out in practice. As Jo Ivey Boufford, the deputy assistant secretary for health, noted in a recent issue of *U.S. Medicine*, "We have an increasing number of requests from other departments in government to bring Corps members . . . into those departments."

During my service as Surgeon General, I did undertake an effort to revitalize the Commissioned Corps, as Gavora indicates. In addressing this issue, Gavora continues to use very isolated cases to make sweeping generalizations about the Commissioned Corps. Her conclusion that I abandoned the revitalization effort because of dissent within the Corps is just plain wrong. I saw numerous initiatives to completion, including the revision of policies and procedures related to recruitment. Many of these initiatives continued after the end of my tenure as Surgeon General. As the Office of Management and Budget put it to me: "We've been waiting for years for someone to do this."

Gavora's short-sighted approach to dealing with the Commissioned Corps is becoming all too familiar. Some believe the way to address concerns that arise with regard to portions of the federal government is simply to eliminate rather than fix them, regardless of the consequences. Such a knee-jerk reaction is disturbing in any context. When the issue is the public health of Americans, such an approach is nothing short of reckless. Many people, including thousands of beneficiaries of the Corps's services, public-health professionals like myself, and many other current and former leaders of HHS, will tell you the real story about the Commissioned Corps. Just ask us.

Koop: Gavora unfairly characterized the Commissioned Corps as overpaid bureaucrats.

C. Everett Koop
Bethesda, Md.

Jessica Gavora responds: Dr. Koop makes two substantive charges and one ideological complaint: First, Koop is correct in stating that no member of the Corps appeared before Congress during the Persian Gulf War to argue against mobilization. Congressional testimony is typically solicited not from the bureaucratic rank-and-file but from their leaders. Koop admits that both he and the official to whom he reported as Surgeon General, the Assistant Secretary for Health, appeared before Congress to ask, as I stated, that the Corps not be mobilized until all other options were exhausted, including asking civilian doctors and nurses to volunteer their efforts.

Second, Koop contends that HHS "refuted point by point" the GAO report that concluded that "the functions of the Corps are essentially civilian in nature" and that eliminating the military rank and benefits of the Corps would cut the personnel costs of the Public Health Service by 22 percent, or about $130 million a year. Detailed agency responses to GAO reports are routine; Koop fails to substantiate, however, in what way HHS's response "refuted" the devastating conclusions of the GAO report. Moreover, he cites as proof of the Corps' effectiveness the fact that the agencies to which Corps members are assigned warned of "catastrophic" consequences if they lost their Corps employees. However, since these agencies do not have to make pension contributions for Corps members (as they do for their other employees), it is hardly surprising that they would argue for the retention of lower-cost personnel.

Finally, Koop gets to what one suspects is the heart of his dispute with my article. My "knee-jerk" disapproval of costly and unnecessary government programs, he laments, is becoming "all too familiar." Better to try to reform such programs rather than simply eliminate them.

Lest anyone think that the Commissioned Corps's critics are acting in haste, here are the facts: The Corps was created at the turn of the 19th century to treat merchant seamen. No one—not even Koop—can offer a convincing rationale for its continued existence on the eve of the 21st century. As for reforming the program, Koop himself tried that in the 1980s. The result was a devastating GAO report that painted an unambiguous portrait of an expensive and duplicative government program. I did make one error in the article, for which I apologize. James Felsen was misidentified as an employee of the National Institutes of Health, rather than the U.S. Public Health Service.

AmeriCorps

To the Editor:

Doug Bandow ("AmeriCorps the Beautiful?," September-October 1996) was incorrect in calling AmeriCorps education awards "tax-free vouchers." They are not tax free. I expect to pay around $800 on my $4,725 education award this year.

If Mr. Bandow knows something I don't, I'd like to hear about it.

Marya Felenchak
Gaithersburg, Md.

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Faith, Growth, and Charity

by John S. Barry

John S. Barry is an economics policy analyst with The Heritage Foundation.

"Implementation of a federal flat tax with no charitable deduction will cost the nonprofit sector $20 billion a year in lost giving."

This statement, from a recent article in the *Non-Profit Times*, echoes the mantra of those who believe that Americans would simply stop giving money to charitable causes if they lost their federal tax break. Some policymakers have even asserted that we need not a flatter and simpler tax code with fewer deductions but yet another tax credit, this time for charitable contributions. Senator Dan Coats's proposal, for example, would provide each taxpayer with a dollar-for-dollar credit for charitable giving up to $500 per year ($1,000 for married couples). As the federal government rolls back 30 years of failed welfare programs, such credits are advocated as a way to help private nonprofit organizations "pick up the slack" in caring for the poor.

To boost charitable giving, raise income growth and church attendance.

Yet critics of a flat tax without a charitable deduction and proponents of additional credits for charitable donations are making the same error of analysis: They assume that giving patterns are tied directly to government tax policy. This view overlooks historical and demographic trends that indicate tax incentives are far down the list of factors that determine how and why people give money.

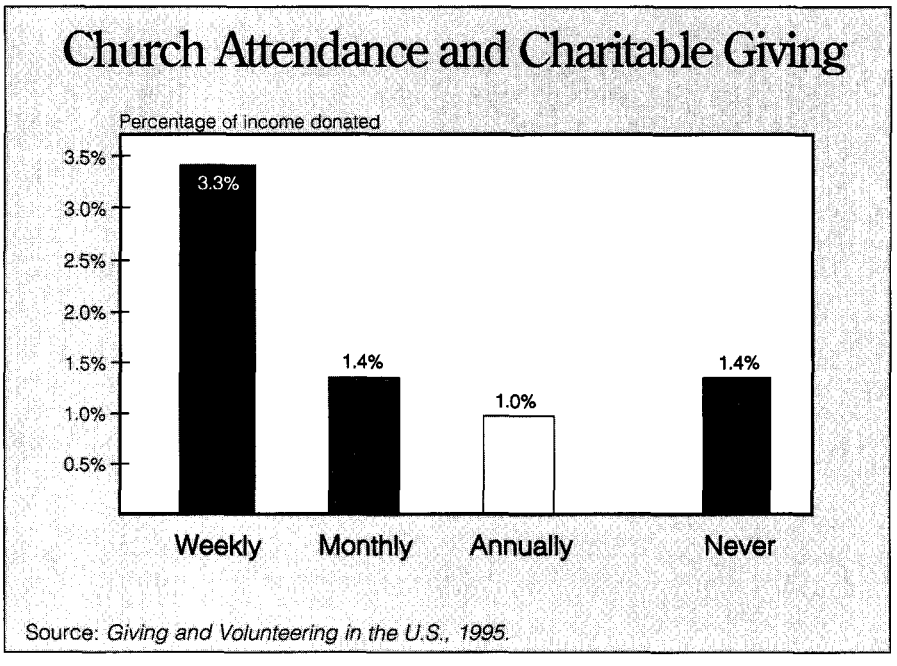
The most overwhelming proof that tax incentives have a relatively minor effect on individual charity is the tremendous consistency over time of giving as a percentage of income. Although the tax code has changed frequently and dramatically over the past 23 years, giving as a share of personal income has hovered around 1.83 percent. This measure reached as high as 1.95 percent (in 1989) and as low as 1.71 percent (1985). The narrow range has persisted even though the top marginal tax rate has fluctuated in that period between 28 and 70 percent. It suggests that raising income growth will do more to boost charitable giving than any tax incentive.

Giving actually increased after Ronald Reagan effectively reduced the value of the deduction by lowering marginal tax rates in 1981 and 1986, and he eliminated the deductibility of charitable gifts for nonitemizers in 1986. Yet total giving *increased* (in inflation-adjusted dollars) every year between 1983 and 1989. This defied the predictions of those who believed tax incentives are the most important determinant of individual giving.

If tax incentives do not top the list of reasons why people give, then what does? The single most reliable indicator of an individual's level of charitable giving is church attendance. According to a 1994 poll conducted by the American Association of Fund-Raising Counsel's (AAFRC) Trust for Philanthropy, donors who attend church give an average of 2.2 percent of their income to charity; those who do not average only 1.4 percent. And the churchgoers' higher level of giving is not confined to their own congregations but extends to all types of nonprofits.

The survey also reported that donors who attend church services weekly give an average of 3.3 percent of their income to nonprofits, while those who attend monthly averaged 1.4 percent—the same as non-churchgoers—and those who attend only once or twice a year average 1 percent.

The facts—overlooked by many policymakers—indicate that charitable giving depends upon much more than just the tax code. Active civic participation, and church attendance in particular, is more important to a healthy nonprofit sector than the presence of any tax credit or deduction. Thus a new tax credit will likely do little to increase charitable giving. On the other hand, as the federal government continues to reduce its role in America's welfare system, Americans will turn for support to civic organizations such as their churches. And this increased civic participation will do more than anything to increase giving to charities.



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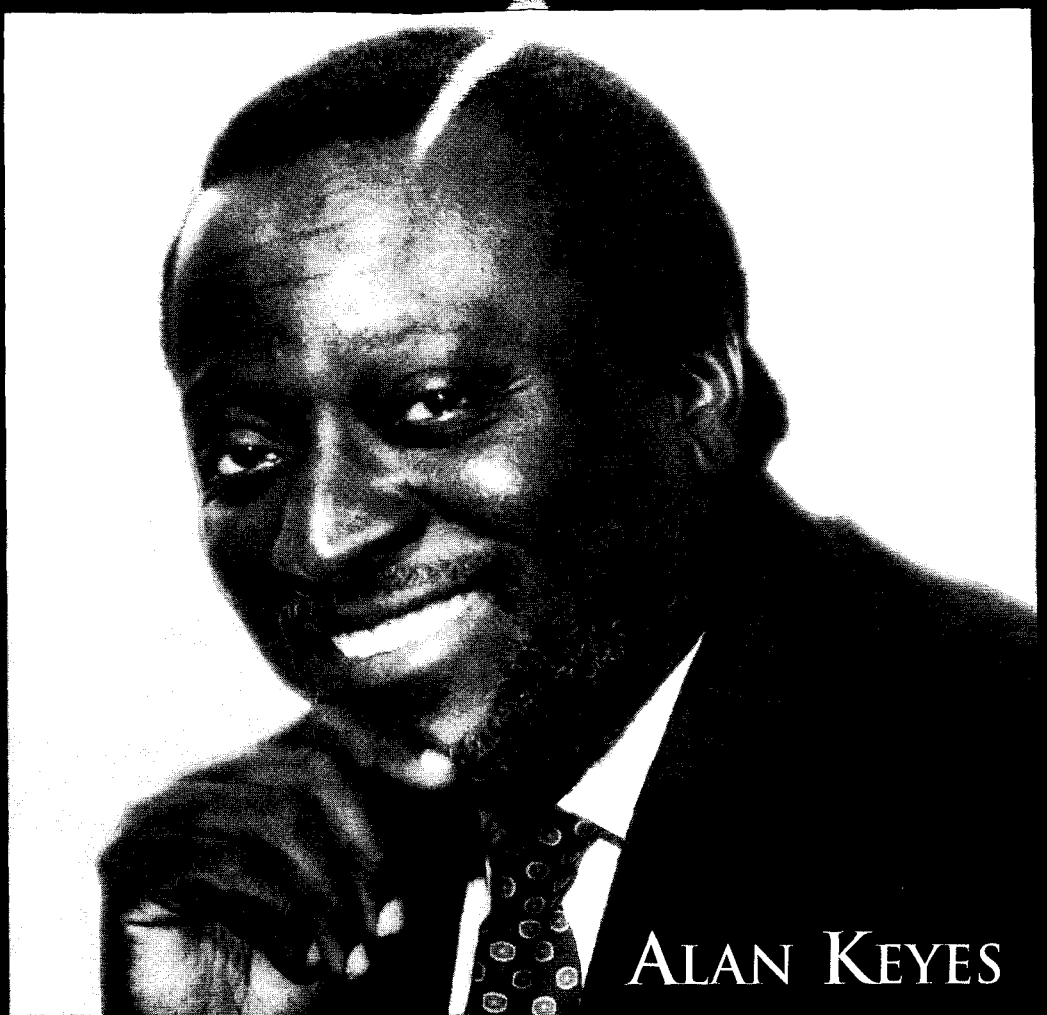

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Home Front

by Frederica Mathewes-Green

Frederica Mathewes-Green is a syndicated columnist and the author of Facing East: A Pilgrim's Journey into the Mysteries of Orthodoxy *(HarperCollins).*

While TV Moguls Dither, Parents' Guides Deliver

For years, parents have worried about television exposing their children to violent, licentious, and vulgar images. If the TV industry won't stop broadcasting trashy shows, they have complained, at least it ought to provide families with advance warning about unsavory elements of its programming. The industry has finally responded, with a new rating system that professes to meet this parental request. But since the ratings are based on broad age categories, and omit specific information about the content of the shows, the industry's tepid solution is deeply flawed.

TV networks have now begun rating their shows according to age-appropriateness, just as the movie industry does. There are six categories: two for children's shows (appropriate for all ages, or only for kids over seven) and four for shows aimed at general viewership. These categories echo the rating system for movies: "TV-G," "TV-PG," "TV-14" (analogous to "PG-13" movies), and "TV-M," for viewers who are ostensibly "mature." These ratings are now published in newspaper TV listings and displayed briefly at the start of each program.

The TV industry's age-based approach, unfortunately, is more of a diversion than a concession. It conceals what kind of objectionable content—sex, violence, or profanity—prompted a particular rating, offering parents the smiling salesman's assurance: "Trust me." But at any given age, some children are far more impressionable and immature than others; even children within the same family may cope with adolescence in radically different ways. Furthermore, the new system lumps together different kinds of so-called adult content, as if a child is equally sensitive to all varieties of such material.

Worst of all, the new system leaves all judgments about the appropriateness of content to self-interested industry moguls—who have long opposed content labeling for fear of losing advertisers. In a *Washington Post* interview, 12-year-old Jessica Musikar got it right: "I read that 'TV-PG' stands for 'Too Vague, Parents Give up.' "

Movies, of course, have long been rated by age-appropriateness, but at least that system's flaws are mitigated by a raft of supplemental information published in newspapers, magazines, and on the Internet. Ordinarily, television programs are not preceded by advance "reviews" of their content. The TV listings in newspapers at best describe the plot in a sentence or two, leaving parents with only the industry's assurance that a specific show is good for every child of a certain age.

The much-touted V-chip will only be as helpful as the industry's ratings—that is, not terribly. The V-chip, to be installed in all television sets beginning next year, will screen TV programs only

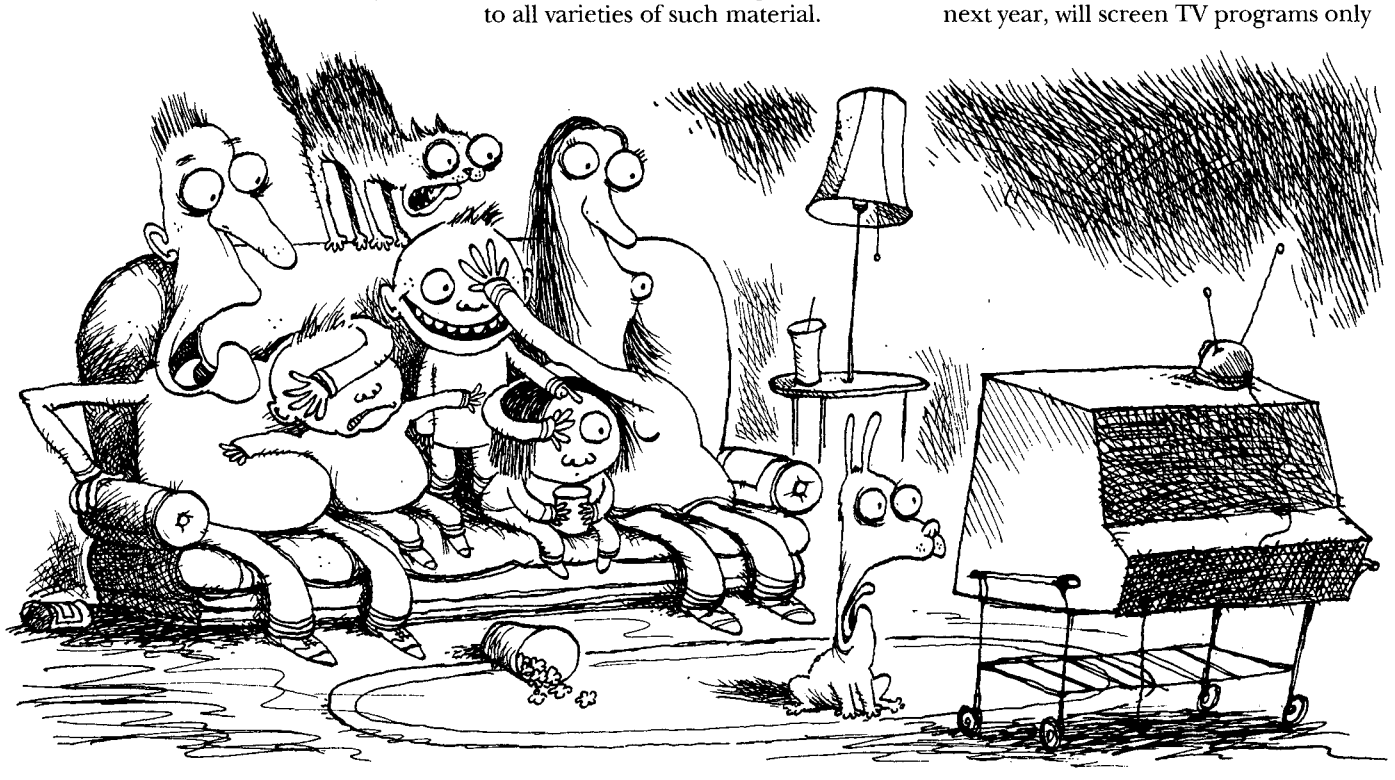

Illustration by David Clark

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according to the industry's own rating system; until that system is improved, it will be incapable of subtler and more helpful judgments. Parents will be able to use V-chip technology to block individual programs or all shows with, say, a TV-M rating, but they will be no better equipped than they are now to evaluate specific show content and make viewing decisions adjusted to their children.

Fortunately, parents don't have to wait for an industry-generated or government-imposed solution. Several existing publications already provide content-based information about the offerings on television. Here are a few resources available to assist parents in regulating the tube:

Parents Television Council

Mark Honig, the executive director of the Parents Television Council, argues that the networks are not providing responsible programming. Exhibit A: the erosion of the networks' "family hour," the 8 to 9 P.M. time slot once set aside as a prime-time safety zone of programming for all ages.

Age-appropriate labeling, he says, does nothing to clean up the content or restore that family-friendly time. It may even become a excuse not to. Indeed, Honig believes that age-based ratings will be nearly useless as guides. "Parents feel ambushed, they don't know what's going to appear," he says. "They'll be watching a show rated PG, for example, and be ambushed by material they personally feel should have been PG-14 or R. They need enough information so they can tune out before they tune in."

"Tuning out," of course, is just what the industry and its advertisers fear. Honig discounts such concerns. "There is an audience for family-friendly entertainment," he says, "and the networks have a corporate responsibility to provide it."

The Parents Television Council has recently released its third annual *Family Guide to Prime Time Television*. The 40-page booklet reflects exhaustive research by PTC's parent organization, the Media Research Center, and offers "a brief background and thematic summary of every entertainment television show currently appearing on ABC, CBS, Fox, NBC, UPN, and WB." Each show is rated with a stoplight signal. Green means "family-friendly," yellow "may be inappropriate for youngsters," and red warns of sex, violence, or language that could render it "unsuitable for children."

For example, ABC's popular situation comedy *Home Improvement* rates a green light. "The Taylors, a secure family unit, stand out in a TV landscape littered with atypical or dysfunctional families," according to the guide. "The husband and wife work through their everyday marital problems, and enjoy a stronger, more secure marriage as a result. They serve as positive role models to their children, teaching them about honesty, the importance of education, and respect for one another."

Frasier, an NBC sitcom, rates a yellow light and a careful analysis. "*Frasier* gets its laughs with wit, not vulgarity. But characters' sexual antics—ranging from a smattering of one-night stands to the title character's torrid affair with his boss—frequently take center stage, and are depicted as an integral part of dating in the 90s. The series, however, draws the line at flagrant promiscuity: One licentious character, who regularly alludes to her sexual exploits, is often chastised for her behavior."

One program that rates a red light is Fox's *Married with Children*, described as "the antithesis of family viewing." In addition to the stream of insults between family members, "lascivious jokes and bathroom humor are the hallmarks of every episode, traditional values are ridiculed, and promiscuity is promoted." Until recently, *Married with Children* was broadcast at 7 P.M., when even the young children could tune in.

The *Family Guide to Prime Time Television* covers the 1996-97 season of programming with a color-coded viewing schedule. Copies cost $9.95, but are provided free to members, along with other benefits. *Contact: Parents Television Council, 333 South Grand Ave., Suite 2900, Los Angeles, Calif. 90071. Tel.: 213-621-2506, Web site: http://www/mediaresearch.org*

Family Entertainment Review

Family Entertainment Review, an overstuffed monthly magazine, was launched in September 1995 as a result of an "epiphany," according to associate editor David Baíz. The magazine was founded by Charlie Gilreath, a music promoter and manager of successful recording artists. When his young stepdaughter asked him to explain a song lyric that made even him blush, he found himself stammering some euphemistic reply. She corrected him: "Unh-unh—it means something really gross."

Gilreath founded the magazine to provide parents with matter-of-fact summaries of the lyrics of popular songs, so they could make informed decisions about what they allow inside the house. The publication's mandate has widened, and now includes reviews

The TV industry's new age-based ratings are more of a diversion than a concession; luckily, parents have an alternative.

of music, television, film, World Wide Web sites, and software. Each 64-page issue is packed; there are 300-plus reviews of records alone.

The magazine attempts to be as unbiased as possible—just the bare facts about the content of a show, song, or computer program, with no judgment of merit. "We've been condemned by both the right and the left," Baíz says. But, he says, it tries to maintain an editorial stance of "Swiss neutrality."

Baíz admits that the publication's television offerings are at present "paltry," with only a few sentences describing upcoming shows. Therein lies the problem: unlike other publications, which review past episodes or describe a series overall, *Family Entertainment Review* would like to tell parents what's ahead in each episode.

But obtaining previews of programs has so far been impossible. "They'll give us, 'In tonight's show, Bud is going to the market and he gets robbed,'" Baíz says. "You could get that from *TV Guide*. Well, we don't want to be *TV Guide*." Reviewing every show would be impossible, but "even if we could just review the top 20 shows, it would be very helpful. But we've met with no cooperation from the industry."

There are production problems as well. Dennis Wharton, a spokesman for the National Association of Broadcast-

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ers, says many shows (especially sitcoms that depend on topical humor) produce each episode just a week or so before broadcast. A monthly magazine like Baíz's might need to finalize its contents six weeks before it arrives in a subscriber's mailbox. A show that airs on the subscriber's TV that night may not have even been conceived, much less written, before the magazine's deadline.

Nevertheless, Wharton says his group is meeting with executives in major production companies "who are parents and are fed up, too. We'll be developing ways to get as much information in advance as possible—if not finished shows, then scripts."

But what of the industry's complaint that describing 2,000 shows a day is impossible? "How many food items go on grocery shelves every day?" Gilreath asks. "And yet they manage to list all the ingredients in each one. It's only difficult if you don't want to do something. But whether the industry likes it or not, we're going to end up there."

Even without preview copies, the spunky publication does its best with what it's got. The December issue featured 43 reviews of shows to appear over the holiday season. A made-for-TV movie titled *Lying Eyes* is described this way: "Concerns a high-school senior who finds herself a target for murder when her secret affair with an older attorney turns sour. Probably written by an older attorney."

The present form of the publication may be transitional. "We have a three-to-five year plan to make the reviews available to viewers as they watch TV," Gilreath says. "As telephone, TV, and computer meld in the future, you'll be able to point and click on a corner of the TV screen and pull down our review."

Inquiring parental minds will find *Family Entertainment Review* a comprehensive and energetic guide to many forms of popular entertainment. A subscriptions costs $36 for 12 issues, $18 for six. *Contact: P.O. Box 81, Hollywood, Calif. 90078. Tel.: 1-800-811-9086. Web site: http://www.familyentertainment.net.*

Other Resources on the Popular Media

Publications

Better Viewing—This bimonthly recommends TV shows and carries thoughtful articles on the medium and its messages. Cost: $9.97 a year, 800-216-2225.

Kids First! Directory—No gratuitous sex or violence, no gender or racial biases—that's the claim for titles endorsed in this guide to videos and software. Send $25 membership fee for a video directory and newsletter, 505-989-8076.

Parents' Choice—This quarterly periodical recommends TV shows, films, videos, records, and books for kids. Send $20 a year to Box 185, Waban, Mass. 02168.

Entertainment Monitor—A bimonthly describing CDs, films, computer games, TV shows. See http://www.safesurf.com for an excerpt. $3.95 per issue, 800-777-7106.

Internet Sites

MPAA Home Page—The Motion Picture Association of America's Web site describes its rating system and offers a database of all films rated since 1995, including reasons behind the ratings (http://www.mpaa.org).

Parental Discretion—Reviews of movie and video releases, citing age appropriateness (http://www.altura.com/ParentalD).

Books & Tapes

Television: Manna from Hollywood? by Quentin Schultze (Zondervan)—Parents, students, educators and pastors will find this a helpful discussion as they struggle to use television constructively in their lives.

Amusing Ourselves to Death by Neil Postman (Penguin)—The author argues that television's obsession with entertainment undermines critical thinking and public discourse.

"Television and Christian Discipleship," lecture by Ken Myers (Mars Hill Audio)—Myers critiques the "structural" problems of television-viewing, such as its impact on relationships and styles of communication. Sixty-minute tape. Call 800-331-6407.

AFA Journal

"AFA Backers Bury Bochco" reads the headline on the cover of the January *AFA Journal*, a monthly publication of the American Family Association. It's suggestive of the tone of the magazine, and of the evangelical Christian organization as a whole. "We're very activist-oriented," says editor Randall Murphree. "It's something we've incorporated into our work from the early years."

The maxim here is simple: Knowledge is power. The monthly offers copious reviews of prime-time shows, but its activist bent encourages parents to use them for more than viewing decisions. The reviews identify the advertisers of each program, and an "Action Index" gives the name of each advertiser's parent corporation, the name of its CEO, its address and phone number, and a list of other products offered by that company. Readers are encouraged to contact the sponsors of shows they find objectionable and make their opinions known.

Producer Steven Bochco's sitcom *Public Morals,* for example, has been put "on hiatus" by CBS, even though 12 expensive episodes have already been completed. "The inclusion of the phrase 'p - - - y posse' jolted pro-family groups, led by the AFA, to petition local CBS stations not to air the program and to ask advertisers not to bankroll the production. Co-creator Jay Tarses said that this letter-writing campaign forced CBS to change the show's dialogue and cancel the pilot episode."

Such campaigns have led to changes of heart among advertisers as well. Clorox and Grand Metropolitan (the parent of Burger King), "didn't want to dialogue prior to our announcement of a boycott," says Murphree. "Once that announcement was made, they were willing to come to the table." Both firms voted to change their advertising policies in AFA's favor.

The organization has been monitoring television shows for almost 20

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years. A typical recent issue singled out 53 episodes of TV shows for criticism, and the comments were very specific: a code at the top of each review indicated whether the show contained anti-Christian comments, promotion of homosexuality, profanity (and how many profanities were uttered), "politically correct" treatment of an issue, sex, substance abuse, or violence. A plus sign indicates a "positive theme with *no* objectionable elements (a good story told with profane language does *not* earn a commendation)."

Some readers may find the tone of the reviews too combative for their taste, but the publication can't be faulted for imprecision. Parents whose values overlap only partly with those of the AFA will have ample information to make their own decisions. A review of the October 29, 1996, episode of *Roseanne*, for example, is preceded by codes for anti-Christian content, homosexuality, substance abuse, and number of profanities (15): "Roseanne, her sister Jackie and their lesbian friend Nancy attend a New York party. Roseanne and Jackie get drunk. In a fantasy parody of the Virgin Birth, witches tell Roseanne that Satan chose Darlene (Roseanne's pregnant daughter) to bear his son, and she should be honored. Advertisers: Walt Disney, Grand Met."

Seven episodes earn the label "The Good Stuff," and even here the reviews are nuanced. An episode of *Touched by an Angel* is praised, but with a caution: "The episode acknowledges that one goes to heaven by calling out to God. Jesus Christ, however, is never mentioned. Entertainment value is high, [Christian] theology lacking."

The *AFA Journal* includes columns, news briefs, and feature stories on many aspects of the entertainment industry, but reviews only television shows. The monthly is available for $15 per year (bulk prices available for churches). *Contact: P.O. Drawer 2440, Tupelo, Miss. 38803. Tel.: 601-844-5036. Web site: http://www.afa.net.*

Plugged In

Published by Focus on the Family, *Plugged In* is an eight-page monthly newsletter that offers a concise guide for befuddled parents. In its short space, it gives brief content descriptions of an array of entertainment offerings—film, TV, video, and rock music, both secular and Christian.

Each issue analyzes one television show in greater depth than any other publication has done. Over the course of five recent issues, analyst Steve Isaacs reviewed *Walker, Texas Ranger; Second Noah; Hercules; Spin City;* and *Suddenly Susan.* Consistent with *Plugged In*'s style, Isaacs highlights positive qualities, even in shows he ultimately condemns.

The cautious, even-handed approach is a part of the magazine's basic philosophy. "Our primary goal is to open communications between parents and their teens," Isaac says, "and to do that, parents need to be aware of what their teens are interested in. Parents can then teach critical thinking as their teens approach popular culture."

If the magazine also "doubles as a guide" to acceptable or unacceptable fare, that's incidental. "We don't like to tell people 'You should or shouldn't do this,'" Isaac says. "We want to give the positive and negative and leave it there. Parents should discuss it and make decisions based on their own conscience." He says some parents are too ready to accept marching orders from outside sources. "If our confidence in their personal ability to make decisions is not deserved, we try to build up that capacity. After all, if you take what we say at face value, you'll take the next thing at face value as well."

Thus *Walker, Texas Ranger* is recognized for "anti-drug, anti-gang, and anti-slavery themes [which] are indeed noble," but these brighter notes are overshadowed because "the ferocious depiction of brutality always seems to get center stage." Isaacs supports his view with detailed summaries of five episodes. *Hercules* has its high points: "deep compassion for human suffering . . . equity and justice . . . unconditional friendship toward an unlovable [character]." But the hero's movements of conscience "remain stranded in a mire of polytheism, mythology, sorcery and demonology . . . thematic violence and a bevy of brazen women whose attire is *way* too risqué."

Plugged In is a useful guide to intelligent decision-making for television-wary parents. A one-year subscription costs $20. *Contact: Focus on the Family Plugged In, Colorado Springs, Colo. 80995. Tel.: 800-232-6459.*

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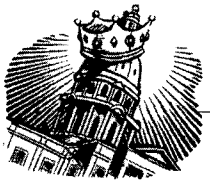

Abuses and Usurpations

Courts Cast Pall over Parental-Rights Bill

In 1948, Congress passed a law that allows a litigant in a federal court to exercise what amounts to a peremptory challenge to a judge, just as an attorney might strike a juror. The members of the 80th Congress believed their intent was clear, directing the courts that if the plaintiff or dependent can prove that the judge "has a personal bias or prejudice either against him or in favor of any adverse party . . . another judge shall be assigned."

Late last year, supporters of Proposition 209, the California initiative banning race and gender preferences, filed just such a challenge to Judge Thelton E. Henderson of the federal district court. They cited his past service on the boards of two organizations that were party to the lawsuit challenging Prop 209 and asked that he be removed from the case. After considering his own objectivity, Henderson declared himself unbiased enough to continue. Then the challenge was referred to another federal judge. Surprise! The new judge agreed with his colleague.

The fate of that 1948 law tells a cautionary tale to the lawmakers of today. Can Congress trust the federal courts to enforce the legislation it writes? Are the federal courts so unrestrained that legislators can't legislate? Consider the dilemma of Florida congressman Charles Canady. On June 26, 1995, his Oklahoma colleague Steve Largent and more than 60 co-sponsors introduced the Parental Rights and Responsibilities Act (PRRA). Pro-family groups hailed the move and the Christian Coalition made parental rights a tenet of its "Contract with the American Family." Because the Largent bill was designed to codify "the fundamental right of a parent to direct the upbringing of a child," it went to the Constitution Subcommittee of the House Judiciary Committee, which Canady chairs.

And there it has remained.

The Florida Republican, whose initiatives in the 104th Congress included the Defense of Marriage Act and the vote to override President Clinton's veto of the partial-birth abortion ban, is quick to point out that he shares the goals of the PRRA. He, like Largent, can recite a long train of abuses by local school boards and child-protection agencies committed in the smug belief that the state is the best guarantor of a child's well-being.

These abuses range from school nurses giving gynecological exams to 11-year-old girls without their parents' consent to onerous certification requirements for parents who school their children at home. In addition to protecting the rights of parents under the 14th amendment to the Constitution, Largent's bill would assert the supremacy of parents in four specific areas: education, health, discipline, and religious and moral nurturing.

But Canady believes the issue becomes more difficult when it moves from the particular to the universal. A law that declares parenting a "fundamental right"—that is, on a par with, say, the right to equal protection before the law—unwisely entrusts this right, he believes, to a highly unreliable protector: the federal judiciary. "Everything we do is in response to bad decisions by federal courts," complains a subcommittee source. Canady has no wish to compound this problem, and so the bill sits in his subcommittee. "There is uncertainty here," says Canady, "and enormous potential for spawning litigation over a wide range of issues."

The congressman acknowledges that all legislation faces an unpredictable reception in the courts, but he sees in the Largent bill an unusually great potential for lawsuits, which ought to worry the bill's supporters. "With this legislation as it is currently drafted," he says, "the uncertainties are greater than is usually the case, and are of such a magnitude that any legislator ought to pause and say, 'What are we doing? What will happen as a consequence of this?'" A congressional staffer was more blunt: "The federal judiciary is so bad, why would we want to give them another area of people's lives to get involved in?"

The irony is that many of the groups that are pushing for federal protection of the rights of parents are the same ones upset with the federal judiciary's decisions in areas such as abortion and gay rights. For them, parental-rights legislation is not an invitation to judicial meddling in the family but an antidote for it. "We're not initiating this," said Largent. "This is a response. We're erecting a defense to an aggressive judiciary."

What happens if the courts are so unrestrained that legislators are afraid to legislate?

But others see the threat to parents' rights as originating primarily in local institutions such as school districts and social-service agencies. Legislating parents' rights, they claim, would accomplish little more than anointing federal judges as the arbiters of these disputes. A better solution would be to introduce more targeted legislation that addresses specific abuses such as harassment of homeschoolers by education professionals. Or better still, direct the concerns of parents toward the institutions in their local communities such as school boards, parent-teacher groups, and local government.

Fear and uncertainty over how—or whether—the courts will interpret and implement the political decisions of the people and their elected representatives is, of course, nothing new. A recent symposium entitled "The End of Democracy?" in the conservative monthly *First Things* dealt with this very

by Jessica Gavora

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issue—to great controversy. In their introduction, the editors pointed to a series of court decisions that they contend "add up to an entrenched pattern of government by judges that is nothing less than the usurpation of politics." The urgent question, they continued, "is whether we have reached or are reaching the point where conscientious citizens can no longer give moral assent to the existing regime."

Canady contends that the concerns motivating parental-rights legislation do not reach the level of the *First Things* dispute, noting correctly that the concerns of these writers went beyond judicial usurpation to the nature of American democracy and the place of religion and morality within it. "Their concern is not with judicial activism per se, but with judicial activism gone to such lengths that it is involved in repudiating basic values that they believe are important to the legitimacy of the whole political system," says Canady. "They've really gone to a different level of discussion and dissatisfaction" than has been reached in parental-rights debate.

Nevertheless, Canady's fear of judicial misappropriation of law suggests that he could one day reach such a level if the Largent bill passes and thereby creates new opportunities for judicial meddling. And should the parental-rights movement find itself thwarted by a *Casey*- or *Romer*-type court decision, it might raise the same unsettling questions asked in the *First Things* symposium. For many, the issues at stake are fundamental to the character of the American polity. "The substance of the Parental Rights and Responsibilities Act goes to the very core of our Constitution and what we believe it means to be an American," Largent told Canady's subcommittee last year. "When the government becomes an obstacle and chips away at the freedoms parents rely on to raise their children, our country risks losing that fundamentally important quality that has made it great: freedom."

Having consulted with Canady, Largent intends to introduce a modified version of his legislation, renamed "The Family Integrity Act." For his part, Canady wants to work with Largent to create a law that will protect parents' rights and resist hijacking by the federal courts. Can it be done? Canady won't—or can't—say.

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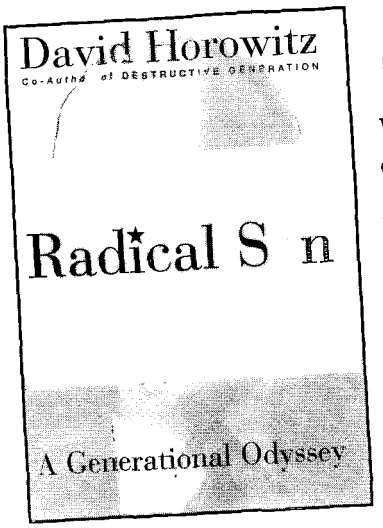
—P.J. O'ROURKE



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DAVID HOROWITZ is the bestselling co-author of *The Rockefellers* and *The Kennedys*, president of the Center for the Study of Popular Culture, and editor of *Heterodoxy*.

Published by The Free Press, *Radical Son* is available at local bookstores everywhere; or call 800-752-6562 to order copies.

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Making Adversity the Mother of Invention

In 1994, Ryan Jarvis had a tragic accident on the basketball court at his high school. While scrambling for the ball during a pick-up game, Ryan, 16, got elbowed in the face. The blow severed his optic nerve and blinded him in his right eye.

Despite this injury, Ryan just wanted to go back to playing basketball and football. His father, Ed Jarvis, had his own decision to make: How should he respond to his son's accident? The contemporary American culture of victimhood offered him a range of options. He could have sued the high school, the basketball manufacturer, or the National Basketball Association for encouraging Ryan to play a dangerous sport despite the risks. He could have organized a grass-roots lobbying campaign to impose tougher safety standards on high-school sports and facilities. He could have gone on the talk-show circuit to decry athletic bellicosity, soliciting donations to start a charitable foundation to aid the victims of sports injuries.

Jarvis did none of these things. In typically American fashion, he saw a business opportunity—and took it.

Jarvis discovered that a major reason athletes still suffer so many eye injuries—more than 40,000 in 1995, according to a nonprofit group called Prevent Blindness America—is that the available protective gear is hard to wear and hard to use. Standard visors, he found, scratched easily, tended to fog up on the court, and distorted the view that players had of their opponents and the ball. Kids, in particular, didn't want to wear them, because they were uncomfortable and interfered with performance. So Jarvis set out to design a better face guard.

"It wasn't my intention to enter the optical or sporting-goods business," said Jarvis in an article in *Business Week*. "I just wanted to provide my son with the right equipment. But I've learned that to have a product, you need a sense of purpose." The protective visors then on the market were nothing more than pieces of plastic made to fit helmets or heads, so Jarvis, a former food-distribution executive from Lynn, Massachusetts, consulted experts in optics and ophthalmology. They told him that the products had no optical design in them at all. He then created a new company, One Xcel, to market a new product.

Some entrepreneurs manage to turn adversity into inspiration, not regulation and litigation.

The One Xcel visor that Jarvis designed is both coated to prevent fogging and scratches and curved to reduce distortion. It provides a broader side-to-side vision sweep than competitors' products. It is now the face shield of choice in the National Football League and is popular in the National Hockey League. "It's a superior product," says Jack Jeffers, the team ophthalmologist for the Philadelphia Eagles football team. Former New York Ranger Dave Maloney, who coaches youth ice hockey in Connecticut, predicts success for the improved headgear because in competitive sports "the slightest edge can make a great difference." Now Jarvis is working on special protective goggles for basketball players using the same optical and practical considerations.

Pointing the Finger

We're not used to seeing stories about personal tragedies, especially those involving children and recreation, end with a story of entrepreneurial success. The more familiar outcome is a lawsuit or a publicity campaign. In 1988, for example, one father virtually single-handedly got the federal government to regulate lawn darts after his seven-year-old daughter was accidentally killed by one. His crusade drew the spotlight of the national news and the talk shows, and directed tremendous public concern toward the Reagan administration's perceived "excesses" in regulatory reform.

More recently, two Nevada parents mourning the death of their 13-year-old son brought attention to what the Consumer Product Safety Commission called the "serious problem" of in-line skating injuries. And the mother of a five-year-old girl who died after the string of her coat got caught on a slide at a school playground helped publicize the cause of replacing drawstrings in children's clothing with buttons, zippers, Velcro, and snaps. In 1994, the commission announced a "voluntary" agreement by 21 major manufacturers of children's clothing to replace drawstrings, which the chairwoman of the commission called "a deadly hazard."

The value of these particular campaigns is debatable. Only three children had ever died from lawn darts, the Nevada boy had died while holding the bumper of a moving vehicle, and the percentage of drawstrings causing injury or death was minuscule. Yet the heartfelt sentiment of the parents was unquestionable. Many seek to turn their personal tragedy into something that benefits others, and there is nothing wrong with pursuing corrective action when the facts of the case warrant it.

But for many types of consumer risks or needs, the better response might be not to ban or mandate but to invent and market. After all, the sheer number of risks that face children and adults every day confounds regulators.

by John Hood

John Hood is the president of the John Locke Foundation, in Raleigh, North Carolina, and the author of The Heroic Enterprise: Business and the Common Good *(Free Press).*

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For example, about 2,000 Americans injure themselves each year with party balloons. Another 4,000 injure themselves with pillows, while 3,000 do so (I'm not making this up) with their room deodorizers. For these and other products, it may be virtually impossible to predict how misuse or unique circumstances can lead to an accident. Experience, and the reaction of producers and consumers to it, can be an important stimulus of innovation and improvement.

Millie Thomas got the idea for her business, RGT Enterprises, not from an accident but just the possibility of one. One day, her one-year-old son came toddling toward her with a toothbrush in his mouth. Thomas instantly imagined her child impaled on the long handle of the toothbrush. After bending it into a ring shape to prevent that, she started thinking: Has anyone else thought to do this? Thomas perfected and patented a toothbrush, spoon, and fork with a triangular-shaped, easy-to-grip handle. These Kindertools are now sold in supermarkets and through mail order.

Handheld Wheelchairs

Adversity is often the mother of invention, as the story of Joseph Jarke shows. At age 19, he was left paraplegic in an automobile accident. He subsequently discovered that it was very difficult for wheelchair-bound people to travel long distances because of narrow airplane aisles and inaccessible hotel rooms. This was not just an inconvenience but a genuine barrier to professions requiring travel.

Rather than agitate for regulations to address the problem, Jarke saw "a chance to do something I'd always wanted to do: create a product." He invented a wheelchair that could fold up to the size of a briefcase, thus making it easier for the handicapped to take their own wheelchairs on trips. Helped by the marketing efforts of delighted airlines, his company, SeatCase, Inc., had $1 million in sales by 1993. "We really have changed the world in a small way," Jarke has said.

It's not surprising that innovative ideas such as these would arise from personal knowledge or experience. Invention more often comes from everyday experience rather than from tinkering in a laboratory. Great fortunes have been created by a worker simply observing a problem on the job and designing a solution.

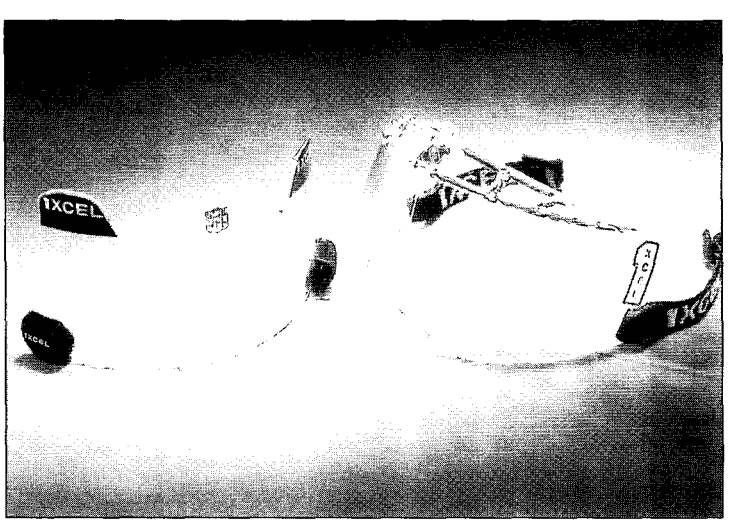
Perhaps the patron saint of innovation inspired by adversity is Elijah McCoy, for whom the phrase "the real McCoy" was coined. A 19th-century inventor and son of slaves, McCoy excelled in school and studied mechanical engineering in Scotland. Though a skilled engineer, McCoy found it impossible to gain employment as one in the United States because of racial discrimination. Even as a lowly locomotive fireman, however, McCoy soon discovered an opportunity for entrepreneurship: the tradeoff between safety and convenience in the railroad industry.

As historian Burton Folsom recounts, locomotive engines of the post–Civil War period had to be oiled frequently to avoid overheating and creating dangerous fires. On the other hand, the only way to oil the engine was to stop it, thus delaying freight and passengers. McCoy invented a lubricating cup that oiled engine parts as the train was moving. He patented his invention in 1872 and so gained a promotion at the Michigan Central Railroad. Although other suppliers tried to duplicate his invention, McCoy stayed a step ahead by constantly improving it and inventing other lubrication and safety devices for railroads, steamships, and stationary engines. These industries found that they preferred "the real McCoy" rather than alternatives for keeping their engines safe and moving.

Companies have incentives to care about the safe and comfortable use of their products by consumers, and most do so. For one thing, a consumer who gets sick or injured while using a product is less likely to buy from its manufacturer in the future. Also, negative publicity about faulty or dangerous products can alienate first-time consumers as well as potential workers or investors. Studies show that consumers rate safety at or near the top of the list of factors they consider when choosing among products of similar price. In a survey for Whirlpool Corp., 80 percent of respondents named safety as an always-important indicator, higher than workmanship (74 percent) and materials (66 percent). Poor product safety can also significantly harm a manufacturer's stock price.

Even with all these incentives to be safe and to care about the needs of their consumers, however, corporations are neither omniscient nor infallible. Despite spending hundreds of millions of dollars a year testing each of the 20,000 new products that make it to the marketplace each year, producers can make mistakes or overlook opportunities for making products better. Those who make or consume products are often better able to see their flaws, especially when those flaws result in poor performance or even accidents. It only makes sense to encourage the people who know first–hand what is wrong with a product or activity not to lobby or litigate but to use their knowledge to promote innovation.

Free enterprise is a dynamic, even organic process of generating new ideas through constant human interaction. It isn't perfect, and it doesn't produce immediate solutions to every problem. In the real world, many opportunities go unrecognized. The Jarvis family found one, turning tragedy into a chance to help others. Instead of saying, "There ought to be a law," they said, "There ought to be a better product." And they made it.



Thousands of athletes owe their ocular safety to one accident.

Photo courtesy of One Xcel

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Laboratories of Democracy

Download Your Local Sheriff

When a wheelchair-bound neighbor was beaten and another friend was raped and robbed in the space of two weeks, Ken Donovan was horrified. Feeling that ordinary citizens could do more to protect their own communities, Donovan and his wife, Caroline, decided to start an anti-crime newspaper in their hometown of Tampa Bay, Florida. Once a month since 1992, the *Bay Area Crusader* has published the mug shots of 50 to 70 suspects and bail-jumpers wanted on arrest warrants, along with official phone numbers for calling in tips. The results have surprised everyone: In four years, 738 fugitives whose photos appeared in the *Crusader* have been caught—a success rate of one in three.

Not long ago, deputizing citizens in the fight against crime meant little more than hanging "Wanted" posters up in the local post office. Then in 1982, the television show *America's Most Wanted* popularized the idea that ordinary citizens could do more to supplement the efforts of police. Now, as crime remains at high and worrisome levels, desktop publishing and the Internet make it easier for citizens such as Ken Donovan to build on this idea.

The Power of the Press

When he learned back in 1992 that his friends had been assaulted, Donovan was merely angry. When he learned that both assailants had outstanding arrest warrants at the time they committed their crimes, he became outraged. "I was upset at the arrogance of criminals walking among us because no one knew who they were," says Donovan. "If they are going to commit the crimes, we are going to let people know who they are."

Rita Harding and her family will forever be indebted to Donovan for doing just that. Last September, an intruder broke into the home of Harding's brother Richard Valdez and tried to rape his wife. When Valdez resisted, both he and his wife were shot. Richard Valdez didn't survive.

"This is a tragedy that has broken every one of our hearts," says Harding. "This guy being caught won't bring my brother back, but at least we'll get the feeling that someone has to pay for it."

Police identified a suspect from fingerprints at the scene. "When my brother was murdered, Ken got a picture of the person out quickly so we could get flyers out," explains Harding. "We sent flyers of the *Crusader* north to places he might go—where his family was [as well as] an old girlfriend." After hearing that the suspect may have headed toward New Jersey, the family sent copies of the *Crusader* to their relatives in that area and to truck stops along the route. Valdez's alleged assailant was apprehended in New Jersey a month after the attack.

Low-cost publishing and Internet technology are giving citizens new tools in the fight against crime.

Donovan began with a belief that many people who encounter the fugitives pictured in the *Crusader*—from neighbors to convenience-store clerks—would be willing to do the right thing. He was right. Soon after he began publishing, a tip based on the first issue of the *Crusader* led to the arrest of a drug dealer. The informant told the police not only where the fugitive was living, but also what time she would be there with her supplier. As a result, the police captured both of them, seizing their drugs and enough cash, says Donovan, to bankrupt the whole drug ring.

One of the hardest parts of Donovan's job is deciding which photos to run each month. "I give murderers, child molesters, and rapists top priority," says Donovan, "but I always have this fear in my heart that the difference between a burglar and a rapist is that no one was home."

The Donovans' tabloid also publishes photos of missing children; so far 136 children, or one in four, have been found. Last July, for the benefit of unwary neighbors, the newspaper printed a special feature with the names and addresses of 344 Florida residents designated as "sexual predators" by the state Department of Law Enforcement.

The Donovans distribute 25,000 copies of the *Crusader* each month to convenience stores, restaurants, nightclubs, and police departments. Neither of them had any publishing experience before the *Crusader*, but it seemed clear that the newspaper format best suited their vision. A newspaper, after all, can be saved and passed along to other people.

Although wary at first, law-enforcement agencies in the Tampa area now fully support the Donovans' efforts. Steve Cole, the public-information coordinator for Tampa's police department, says the newspaper is "law-enforcement-friendly." "If we have somebody who is wanted, unless he is a serial killer or Jack the Ripper, the local media will put the picture up when they get around to it," explains Cole. "Ken's paper is geared more toward the ordinary, everyday criminal. We've become complacent about the ordinary, everyday criminal because we feel we can't do anything. But people pick up the *Crusader* and can do something."

The Donovans' idea has mushroomed in just four years. Within a year of their first issue, someone in another city contacted Donovan about starting a sister paper. Soon came another call, and another. Newspapers modeled after the original *Crusader* have started

by Suzanne B. Laporte

Suzanne B. Laporte is a freelance writer living in Washington, D.C.

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Caroline and Ken Donovan, the publishers of an anti-crime newspaper in Florida, posted every capture on their "Wall of Shame"—until they ran out of room.

up in 58 communities in 25 states and Canada, including 30 in the last year.

Each *Crusader* newspaper covers its local community only. All are nonprofit, surviving on advertising, subscription revenues, and donations. "No one is making money doing this," says Donovan. (He pays himself $250 a week as editor-in-chief, and supplements his income with occasional acting jobs and daily crime reports for a local TV news program.) For $500 the Donovans will provide a manual and unlimited consultation to anyone interesting in starting a *Crusader* newspaper, but they will approve a new publisher only after a long interview. Donovan estimates the startup costs of each paper at around $6,000. Only about half of *Crusader* publishers make the paper a full-time job.

"I always had a vision that if it worked in Tampa, it would work in Maine or the heartland or anywhere else," says Donovan. "People in Canada are just as fed up as people in Miami. Most of us are sick to the bone over the way crime is going and the way our own system has failed us. We want a way to get involved. . . . I always ask if you are angry enough or frightened enough to make a difference." Donovan hung photos of captured fugitives on the wall in his office until he ran out of space. "When I look at the 600 photos on our Wall of Shame," he says, "I see 6,000 potential victims that didn't happen."

Donovan can be reached at 813-933-0603. The paper recently created a World Wide Web site (http://www.crusader.org) that displays photographs of fugitives and missing children.

Mapping the Troublespots

The fortunate residents of San Antonio, Texas, have a high-tech weapon against crime. The *San Antonio Express-News*, the local daily newspaper, provides weekly crime reports and statistics, as well as a list of convicted sexual offenders, through Crimebase, a feature of the newspaper's subscription-based Web site (http://www.express-news.net).

Subscribers can simply type in a street, a zip code, a particular type of crime, or a date, and receive the relevant police reports from the previous week. "I go in and type my own street and it kicks back what happened there," says Ed Rademaekers, who created the service and is now director of new media for the San Antonio paper. Police departments have always collected crime data, but have been slow to collate it and reluctant to publish it. Now the creation of new computer software has allowed people like Rademaekers to pave new avenues of information not possible years ago.

Crimebase lets San Antonio residents protect themselves by identifying trends and patterns in local criminal activity. "Someone could pull out the universe of car thefts every week and see in what neighborhood your car is most at risk," explains Rademaekers. The public can also use the database to demonstrate a record of trouble. For example, someone can find out how many times the police have been called to a particular local bar, then take that information to a councilman and demand action.

Patsy Shinn uses Crimebase to help a volunteer crime patrol in her neighborhood. Shinn searches Crimebase by zip code, then scans for streets she and the other volunteers patrol. "I print out each report to take to our monthly meeting for volunteers," explains Shinn, who usually finds between four and six crime reports for her area each week. When volunteers notice a jump in crime in certain areas, they patrol there more frequently. And when Shinn found a sexual offender listed in her zip code, she distributed a descrip-

Photo by C.J.Sagorski

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tion of the man and his car to the volunteers. She also uses Crimebase to summarize the crime situation for the local homeowners' monthly newsletter.

Although there are no statistics on whether Crimebase has reduced crime in San Antonio, the service provides citizens with a greater sense of control over their personal safety. Businesses can use Crimebase to improve employee security, says Charles Sanders, the vice president and chief operating officer of a medical management company in San Antonio. "Our company has six different office locations," he explains. "We'll be able to check the statistics in the area around each building. If carjackings are up near one of our facilities, for example, our employees need to know that and be reminded not to walk to their cars alone."

One of the best features of Crimebase is that information on the Internet is easily accessed. "I can get the same information from the police department, but the amount of effort required is offset by the amount of time available," says Sanders. "When you pick up a newspaper, you read the most sensational or horrifying or wildest of criminal episodes that occurred during the previous 24 hours," Rademaekers explains. "But in many ways, that murder that happened across town isn't as important to your life as what goes on in the blocks around your home, work, and where you play."

Rademaekers conceived Crimebase in 1992 when he was working at the *San Antonio Light*. "As a newspaper editor, I knew crime was the bread-and-butter subject for any newsroom, and knew how badly we reported it," he says. "All that information was sitting out there. If we could organize it better, we could use it."

After a few attempts to turn Crimebase into a self-sufficient operation, Rademaekers modified the program for a Web site developed by the Hearst Corp., owner of the *Express-News*. The Crimebase site currently draws 15 to 20 page accesses per day. Rademaekers attributes the small number to limited accessibility, not limited interest. The only residents with access to the system are those who subscribe to the *Express-News* Online service and who use it as their Internet service provider. But Rademaekers sees a lot of untapped potential for Crimebase, especially in television. "I'm working on a prototype that's like a Doppler [radar] on crime," he explains. "Using the technology of mapping, a television station could do a two-to-three-minute 'crime-cast' every day."

San Antonio residents aren't the only ones taking advantage of new database technology to fight crime. New software, like the Compstat program used by the New York City police department and then adopted elsewhere, offers the police unprecedented power to track and analyze daily crime statistics block by block and deploy resources accordingly. If law-enforcement officials can overcome their resistance to releasing such information, Crimebase could prove a model for communities everywhere.

Interactive Policing

Some police departments are already sold on using high-tech tools to bring citizens into the fight against crime. In Chicago, the police aren't only on the streets, they're also on the Internet. Chicago police established an interactive Web site in April 1995 as part of their community-policing program, CAPS (for "Chicago's Alternative Policing Strategy"). Police and citizens can communicate easily, directly, and sometimes anonymously.

"Our partnership between the police and the community is intended to prevent crime before it spins out of control," says Kevin Morison, the assistant coordinator of special projects for the Chicago Police Department. The Community Policing site (http://www.ci.il.us/CommunityPolicing) asks the community for assistance in fighting crime locally. "The Internet was set up as this great global village," says Michelle Damico, the director of the city's official Web site, "but the irony is it is now used to connect citizens with their local police."

Through the Web site, citizens can anonymously send tips about drug activity in their neighborhoods directly to narcotics officers or notify the police of the location of a wanted criminal or a missing person. The department has so far received about three dozen tips about drug activity. And the department has apprehended at least one fugitive as a result of an Internet tip. (The department has not compiled official statistics about the number or outcomes of tips they've received.)

One popular feature of the Web site is a bicycle registry intended to help individuals recover stolen bicycles. Another heavily visited section on the site helps citizens identify the police beat for their home or business and provides a schedule of neighborhood meetings with police representatives.

CAPS averages 50,000 hits per month. Both Morison and Damico think that number will continue to increase as the city dreams up more uses for it. On his own time, Sergeant Charles Holz created a Web site (http://www.ci.chi.il.us/CommunityPolicing/Districts/District08) just for his Eighth District. "It's a way to get the public to open up to police officers," he explains. "Someone will send me a message that there's a problem with drugs in a park, and I pass it on to the beat officers, who can resolve the problem."

Such Web sites can save money and time. Someone involved in a traffic accident can look up the proper reporting procedures instead of calling the police department. More importantly, Holz foresees increased communication between citizens and the police department. "An officer who went to a CAPS meeting told me that residents were wondering about gangs," says Holz, so he wrote about gangs on the site. Future improvements may include allowing citizens to report minor crimes over the Internet, and publishing community alerts in neighborhoods where crimes have occurred.

"As a newspaper editor, I knew crime was the bread-and-butter subject for any newsroom, and knew how badly we reported it."

Although the Chicago site is the most interactive police Web site, dozens of police departments and law-enforcement agencies across the country have also ventured onto the Internet. "The Police Pages," located at http://www.mcs.net/~jra/police, provides links to many sites that list fugitives and missing persons as well as other police resources.

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One Nation Under God

Spiritual Capital for The Capital City

While President Clinton and House Speaker Newt Gingrich hold out the hope of federal aid for Washington, D.C., some local churches aren't waiting for government to rejuvenate the city's most depressed neighborhoods. The Hope Center, a church-based community development corporation, is seeking to buy and renovate the vacant Buchanan Elementary School in Southeast Washington. It's no mystery why Buchanan was shut down. The surrounding blocks

A renovated school would play host to Christian social programs in Washington's nastiest neighborhoods.

are awash in unemployment, drug-dealing, broken families, and violence.

Our goal is to establish a faith-guided community center offering urgently needed social services: crisis-pregnancy counseling, an AIDS hospice, a job-training and placement program, alcohol- and drug-rehabilitation services, and, eventually, a grade school. Our sister church, the Christian Fellowship Church Inner-City Congregation, which now meets in a nearby grade school, would form its spiritual hub.

Our plan builds on existing relationships between suburban church members and urban neighborhoods. Since 1992, the largely white Christian Fellowship Church in Ashburn, Virginia, has reached out to mostly poor black families in Potomac Gardens and Arthur Capper, two public-housing projects in Southeast D.C. Volunteers provide regular worship services, a Kick Drugs Karate School, a mentoring program, and food and clothing to dozens of families—nearly all on welfare.

We have seen lives gradually turn around. When Patricia Hill attended our first worship service in the inner city, she was in poor health, on welfare, and addicted to crack cocaine. She soon became pregnant. Pat attended services sporadically. One day, at an open-air rally, she came forward, turned away from her sins, and put her faith in Jesus Christ as her savior. She later said she felt God was telling her she would be dead within a year if she didn't mend her ways.

Today, Pat is drug-free and healthy and radiates optimism. She has found part-time work and also assists the elderly members of our congregation. Having ignored a counselor's advice to get an abortion, Pat is the proud mother of a one-year-old boy. She even volunteers in the same crisis-pregnancy center, encouraging other women to keep their babies.

"My love for these people stems from the knowledge of where they are," says the Rev. Samuel Sierra, the director of the Hope Center and pastor of the Inner City Congregation. Sierra attributes his own recovery from drug addiction to his Christian conversion.

It's time to expand our effort in Washington. We have told city officials we are prepared to invest $4.3 million to renovate Buchanan, a 57,000-square-foot facility. We've already begun planning a benefit concert and raising funds by appealing to our suburban congregation and other area churches as well as to businesses and philanthropic foundations.

We've adopted a "shopping mall" approach to redeveloping the space. Our suburban church would be the main investor. The Hope Center, the umbrella organization, would effectively serve as property manager. The facility's tenants would include a variety of nonprofit groups tackling the community's social ills. They would share a common foundation in the Christian faith, but would serve anyone living in the neighborhood.

Many groups have either expressed interest in working under the auspices of the Hope Center or have already begun to do so, including the Labor of Love Homeless Institute, a food delivery ministry; Charity for Choice, a $1,000 scholarship program for at-risk kids; Uncle Sam and the Capitol Hill Puppets, a multimedia program for children in public housing; and the H Street Task Force, a neighborhood development effort.

We intend to make the most of every square foot of space at Buchanan: The school's neo-classical auditorium, for example, would serve as a sanctuary on Sundays, a gymnasium during the school day, and a "safe haven" for basketball in the evenings. Classrooms could double as community meeting rooms.

Our vision is grounded in a proven model of Christian community development: a church-based, interracial effort to revitalize and remoralize cities, block by block. Pioneered by the Rev. John Perkins, the concept has taken root in more than 100 cities across the nation and involved at least 300 congregations. The key is creating partnerships—suburban churches must not act like the "Great White Hope" of the inner city, while poor churches must also invest their own human and spiritual resources in the task.

The District may indeed be ripe for revitalization, but not primarily the kind initiated by politicians. Many of us are convinced that only heartfelt religious faith can produce the moral transformation and racial healing needed to rescue families and communities from despair. Twenty-five of the largest churches in suburban Virginia met in January to begin praying for the revival of specific city blocks in the District. With prayer, sweat, and sacrifice, we are trying to bring about real, permanent change in people's lives.

by Ron Rosenberger

Ron Rosenberger is the director of outreach and community development for the Hope Center, based in Ashburn, Virginia.

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Wisconsin's Welfare Miracle

By Robert Rector

Everyone wants—or professes to want—to "end welfare as we know it." Despite such lofty proclamations, welfare is still thriving. Last year, federal and state governments spent $411 billion on means-tested welfare programs that provide cash, food, housing, medical care, and social services to poor and low-income Americans. This greatly exceeded the $324 billion spent in 1993, the first year of the Clinton presidency.

At the core of America's vast, dysfunctional welfare system is Aid to Families with Dependent Children (AFDC). At present, nearly one out of seven children in the United States receives AFDC, residing with a mother married to a welfare check rather than a working husband. The typical family now on AFDC will spend nearly 13 years in the program.

"Ending welfare" must begin with reform of AFDC. Congress enacted major new legislation last summer that will start this process. The new law promises three major changes. First, it eliminates the entitlement system of AFDC funding, under which states that increased their AFDC caseloads received automatic increases in federal funding, while states that reduced dependence faced a fiscal penalty.

Second, the new law establishes performance standards that will require each state to reduce its AFDC caseload, or at least, if the caseload does not decline, require some recipients to work in return for their benefits.

Third, the law sets a new goal of reducing illegitimacy and will reward states that reduce out-of-wedlock births without increasing the number of abortions.

Although the new federal legislation sets the proper framework for reform among the states, the liberal welfare establishment and its allies in the media incessantly warn that reform will prove to be difficult, if not impossible. But one state has already proven the naysayers wrong: Wisconsin. Wisconsin's experience with welfare reform provides an unparalleled model for implementing reform that other states would be wise to follow.

In the last 10 years, while AFDC caseloads in the rest of the nation were rising steeply, the caseload in Wisconsin has dropped by half. In inner-city Milwaukee, the caseload has fallen by 25 percent, but in the rest of the state, caseloads have fallen by nearly 70 percent. In 28 of Wisconsin's 77 counties, the welfare rolls have already dropped by 80 percent or more.

And if all this weren't remarkable enough, the pace of Wisconsin's reduction in welfare dependency is accelerating. In Milwaukee, the AFDC caseload is now shrinking 2 percent per month; in the rest of the state, 5 percent. Wis-

In the last 10 years, while national welfare caseloads were rising rapidly, Wisconsin's fell by half.

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consin's achievements are utterly unprecedented in the history of AFDC. Liberal welfare experts used to insist that a successful work program might reduce welfare caseloads by 5 percent over five years; in much of Wisconsin, the number of people on welfare is steadily falling by that amount every 30 days.

Wisconsin has thus won more than half the battle against AFDC dependence and is proceeding with the other half with breathtaking speed. This victory is crucial, since welfare dependency severely hampers the healthy development of children. In the long term, the greatest beneficiaries of Wisconsin's dramatic achievements in reforming welfare will be the children themselves.

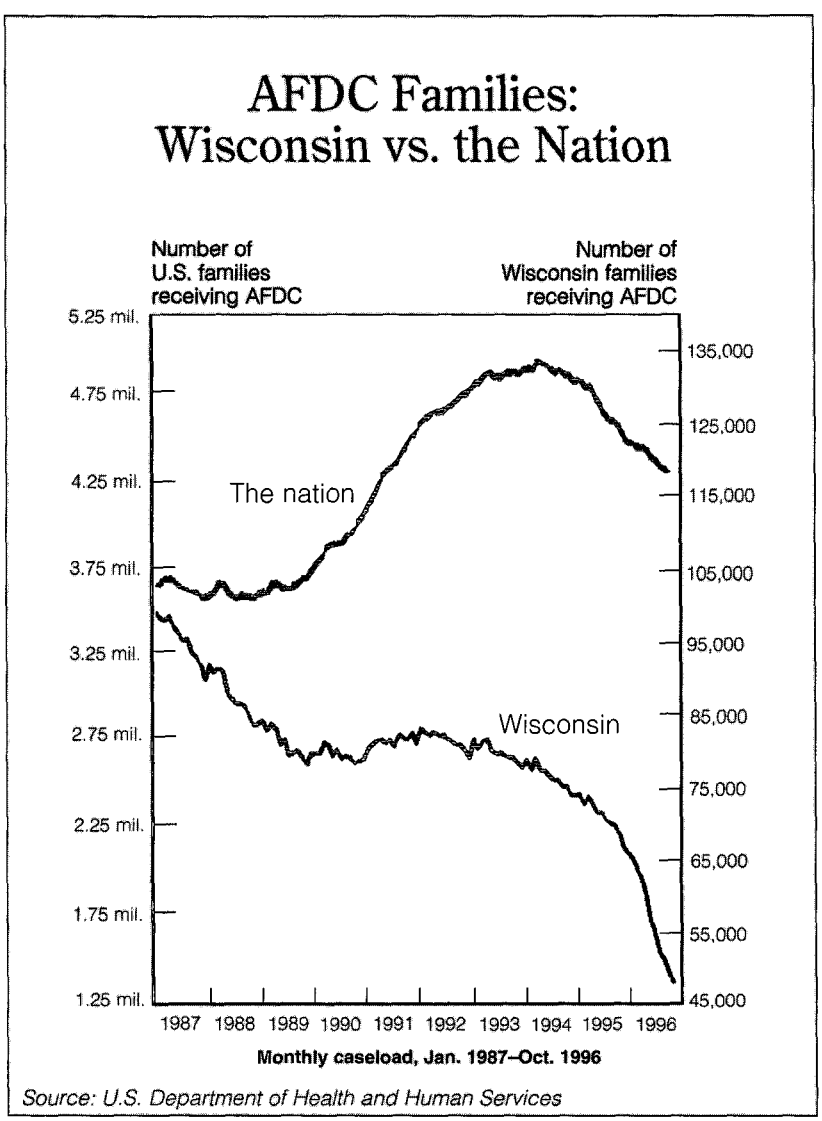
The Road Less Traveled

This remarkable story begins in 1987, when a major congressional debate on welfare culminated in the Family Support Act (FSA). Touted as yet another "end of welfare," the FSA was a complete bust. The Act did, however, generate the expectation among voters that welfare recipients would be required to work. In the same year, a second unheralded event occurred with far greater significance for the future of welfare: Tommy Thompson took office as governor of Wisconsin.

Following a gubernatorial campaign largely about welfare, Thompson entered office with a firm commitment to reform. The chart at right tells the rest of the story. Despite the rhetorical promises of the Family Support Act, the nationwide AFDC caseload remained constant in the late 1980s and then grew by more than a third between 1990 and 1994. The nationwide caseload has eased downward over the last two years, but the majority of states still suffer higher levels of welfare dependency than before the Family Support Act became law.

Wisconsin has been the only clear exception to this pattern. Upon taking office, Thompson initiated a series of reforms that cut welfare dependency during the late 1980s and blocked any resurgence during the 1990-93 recession. Starting in 1994, a second round of more sophisticated work-related reforms has caused the caseload to nosedive further. But the raw figures understate Thompson's achievements. As noted, welfare rolls across the country ballooned by some 35 percent during the early 1990s. There is every reason to believe that, without Thompson's reforms, Wisconsin would have followed this national trend. If it had, its AFDC caseload would have surged from around 100,000 recipients in 1987 to a peak of 135,000 in 1993. It is reasonable to conclude that Thompson has not merely cut his state's caseload in half (from 98,295 recipients to 48,451) but has reduced it by some two-thirds relative to the potential peak in dependence that Wisconsin would have experienced in the early 1990s in the absence of reform.

Many states brag about their recent declines



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in welfare dependency. In the past 24 months, for example, Indiana has cut its caseload by 32 percent, Oregon by 30 percent, Maryland by 29 percent, Massachusetts by 25 percent, Oklahoma by 24 percent, and Michigan by 22 percent. But, in almost every case, these successes merely represent a pruning back of the explosive surge in welfare dependency of the early 1990s. In reality, other reforming states lag a half-decade behind Wisconsin; they are only now engaging in the initial stages of dependency reduction that Wisconsin accomplished in the late 1980s. We might say that the reforms in most states have merely blown the foam off the top of the beer mug, while Wisconsin has already drained the mug halfway to the bottom.

Having cut its caseload in half, Wisconsin's reformers are now grappling with a more difficult, less employable group of welfare recipients. Skeptics argued that after Wisconsin weaned the most employable recipients off the rolls in the early stages, the decline in the caseload would slow and then stop. Yet the opposite has occurred. As new reforms have been implemented over the last three years, the decline has accelerated sharply. Wisconsin continues to reduce dependency at a rate surpassing all other states.

Reform Initiatives

The general thrust of welfare reform in the Thompson administration has been to require reasonable behavior by recipients as a condition of receiving aid. An early example was *Learnfare.* Enacted in 1987, the *Learnfare* program required welfare recipients to ensure that their school-age children attended school regularly, and reduced welfare payments to families with truant children. Although *Learnfare* did not reduce the AFDC rolls directly, it did have a symbolic importance, sending a clear message to both the bureaucracy and the welfare clientele that, for the first time, the government seriously intended to demand constructive behavior of welfare recipients and to sanction those who were derelict.

The centerpiece of reform, however, was the requirement that a growing share of those on the AFDC rolls engage in employment-related activities such as training and tightly supervised job search. By the 1990s, many Wisconsin counties were operating sophisticated systems aimed at pushing welfare recipients quickly into the labor market. For example, a particularly effective program in Sheboygan County required most AFDC recipients to undertake closely supervised job search immediately after applying for benefits. Individuals who failed to find employment within a few weeks were required to perform community-service work until they could find a private-sector job.

The Path from Dependency

Thirty-three-year-old Coleen Clancy of Milwaukee, Wisconsin, had been on and off of welfare since 1982. She began to break the cycle of dependency in 1995, when she signed a "self-sufficiency contract" with the Planning Council of Milwaukee. In it she pledged to leave welfare within five years. She currently holds two jobs, one at a school cafeteria and the other as a bus driver, and no longer receives welfare benefits. A working mother who supports two children, ages 9 and 12, Clancy says she benefited from assertiveness and goal-setting seminars that were offered at a local YMCA. She believes that the federal welfare system did not offer her an incentive to improve, and attributes her success to her faith in God and the support of her own community.

Clancy at work

Photo by Gary Porter / *Milwaukee Journal Sentinel*

Beginning in 1994, Thompson's staff initiated a more sophisticated and successful round of reforms. His administration instructed county welfare directors to de-emphasize education and job training in the classroom and to concentrate on activities leading to immediate work. The state created new incentives to guide the welfare bureaucracies: Counties would no longer be simply allocated work, training, and day-care funds but would be required to earn those funds by increasing the number of recipients placed in jobs or community-service work.

The governor's staff also understood that many applicants entering the welfare system had other options. The easiest way to break this group of the debilitating habit of dependency was to prevent it from forming in the first place, by reducing the number of new AFDC enrollments. The state began a pilot program based on this principle in 18 counties in 1994 (gradually expanded to cover 60 by early 1996). The program, *Work First,* provided new applicants with counseling on the negative effects of dependence, offered short-term aid (such as car repairs) that might eliminate the need to enroll in AFDC, and required most new applicants to begin working in private-sector jobs or community-service jobs almost immediately after enrolling in welfare. (Once a recipient starts a full-time job in the private sector, AFDC benefits are eliminated; however, AFDC benefits generally continue at a reduced level while the recipient works part time. By contrast, a recipient performing community-service work continues to receive full AFDC payments but must work for

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the benefits obtained.)

Another pilot program called *Work Not Welfare* (WNW) began in January 1995 in two counties, Fond du Lac and Pierce. WNW placed an absolute time limit of 24 months on receiving AFDC. Although this program obviously had no direct impact on dependency in most of the state, it did send a strong symbolic message to welfare recipients: Long-term dependence would no longer be tolerated. (Still, caseloads in those two counties have fallen only slightly more rapidly than in most other counties.)

In December 1995, the governor's staff instituted a radical new system for rewarding good performance in county welfare offices. The new system employed competitive bidding for the management of each county's welfare system. Governmental or private organizations currently running AFDC in each county were thus threatened with competition and could be replaced by outside organizations. The current welfare organizations, however, could escape the competitive bidding process if they fulfilled new performance criteria specified by the state. Chief among these criteria was a requirement that each county reduce its AFDC caseload by roughly 15 to 25 percent (requirements varied by county) over the subsequent 12 months.

Decisive New Policies

In April 1996, Wisconsin unveiled two more decisive reforms. *Work First* (renamed *Self-Sufficiency First*) went into effect in all counties including Milwaukee, and a new *Pay for Performance* (PFP) system was implemented statewide. For decades politicians have talked about making welfare recipients work while creating regulations that made this impossible. With *Pay for Performance*, Wisconsin closed the loopholes, creating for the first time a real work requirement for AFDC recipients. Prior to PFP, a recipient who failed to obtain a private-sector job might be required to perform community service. If the recipient failed to actually perform this service work, however, the state could only cut AFDC benefits slightly. Under PFP, a recipient would see his welfare check reduced in direct proportion to the number of hours of community work he fails to perform. An individual who performs no work would receive no AFDC or food stamps. Critically, the PFP principle was also applied to other constructive activities such as class attendance or supervised job search.

Although Wisconsin now spends more per welfare family than in the 1980s, total welfare costs have fallen by a third.

PFP effectively eliminated the freedom of most Wisconsin AFDC recipients to receive welfare without working. Caseloads, already in rapid decline, began to plummet. In the first seven months after the implementation of *Pay for Performance* and *Self-Sufficiency First*, the AFDC caseload dropped 14 percent in Milwaukee and 33 percent in the rest of the state. If the trends continue, the welfare rolls statewide will drop by an additional one-third over the next 12 months.

Reform Skeptics

Apologists for big welfare have naturally sought some pretext for ignoring or trivializing Wisconsin's achievement. The most common ploy is to attribute the decline in AFDC caseload to a "good economy." Although Wisconsin has enjoyed low unemployment and healthy growth in jobs, it is ridiculous to claim that this has brought about a dramatic reduction in caseload. After all, over the past 40 years states have often experienced robust economic growth without any significant drop in the welfare rolls, let alone a drop of 50 percent.

The limited role of economics in Thompson's victory over dependence can be seen by comparing Wisconsin with the 13 states that have experienced lower levels of unemployment than Wisconsin over the past decade. In these states, the welfare rolls, on average, actually increased by some 20 percent. None produced a substantial decline in welfare caseloads. Although a robust economy has undoubtedly helped Wisconsin to reduce welfare dependency, it is far from the principal cause.

Another common dodge of the skeptics is to claim that reform has raised welfare costs. This charge is no surprise; defenders of the status quo have always claimed that taxpayers must "invest" more funds in order to "end welfare." But Wisconsin's reforms did not result in increased spending in either the short or long term. Although the state has increased its outlays on welfare administration, job training, and day care, these expenditures have been more than offset by the rapidly shrinking caseload. Wisconsin spends more per family on welfare now than in 1987, but it has half the number of families on welfare. The greatest expenditure increase has been for welfare administration; although day-care costs have also increased modestly, they still constitute only 6 percent of the total. Today Wisconsin's aggregate spending on AFDC benefits, administration, training, and day care, in current dollars, is some 5 to 10 percent lower than in 1986, the last year before Thompson became

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governor. But in the rest of the nation, similar expenditures have nearly doubled in the same period: Clearly, Wisconsin's reforms have produced huge de facto savings, not higher costs. In inflation-adjusted terms, Wisconsin's spending is actually down by a third since 1986.

Lessons Learned

The Wisconsin experience provides a cornucopia of lessons for the rest of the nation. In reforming welfare, Wisconsin has rediscovered a philanthropic philosophy once ubiquitous in American charities, but largely abandoned over the past 40 years. This philosophy regards dependence and idleness as harmful to the welfare recipient and insists that he perform useful labor in exchange for benefits he receives.

Thus a serious work requirement provides not only a sound moral foundation, but also performs a crucial gatekeeping function. A key problem for rational charity is separating those who truly need aid from those who do not but are willing to take a free handout if one is offered. Work requirements serve that purpose. For example, in the 19th century, religious organizations throughout the United States provided food and shelter to persons who would today be called "homeless." Before providing a free meal and a bed, however, the shelter would require the man seeking aid to perform some useful chore such as chopping firewood. Charity workers had discovered that such a requirement greatly reduced the numbers seeking aid. This "work test" winnowed out those who did not need aid and allowed the philanthropists to focus limited resources on the truly needy.

Wisconsin was the first state in the nation to institute a genuine work requirement for welfare recipients.

With one out of seven children enrolled in AFDC, the current system is so large that serious reform will be impossible. The initial task in transforming welfare is to shrink the AFDC caseload to manageable proportions. Culling those who do not truly need aid from the welfare rolls will allow the system to focus its efforts on those who have the most difficulty becoming self-sufficient, and will free up resources and energy needed to deal with the underlying problems, such as educational failure and illegitimacy, that promote future dependence.

Wisconsin's example provides nine clear rules on how to sharply reduce dependency:

1. Set the right goal. If the ultimate aim of reform is to reduce dependence, the official goal must be to reduce the welfare caseload. A large drop in caseload entails dramatic administrative change and threatens the financial self-interest of the welfare industry. Ingenious welfare bureaucrats will thus propose other performance criteria that allow them to claim success in reducing dependence while caseloads continue to rise. Such ersatz benchmarks generally include: the length of time spent on welfare; the number of recipients in training, part-time employment, or make-work jobs; or the number who leave welfare. Decisionmakers should not be fooled: It is the size of the caseload that matters.

2. Focus on the size of the caseload, not welfare exits. Measuring the number of recipients who leave welfare—or "exits"—is misleading. Large numbers of "exits" from welfare will occur even when welfare caseloads are rising. States with liberal welfare systems may have larger numbers of exits because they encourage highly employable persons to enroll in welfare. By contrast, a serious work requirement may actually reduce welfare exits since it will discourage the most employable persons from enrolling in welfare in the first place.

3. Avoid education and training. Government training and remedial education programs in general do not increase recipients' wage rates and do little to reduce dependence. A recent Labor Department study of the government's largest training program, the Job Training Partnership Act (JTPA), found that the program had little or no effect on the wages of trainees: The average hourly wage rate of female trainees rose 3.4 percent, while the hourly wages of males did not increase at all.

4. Use work requirements to reduce welfare applications. The most important effect of a work requirement is to reduce dramatically the number of persons who apply for welfare. This is called the "dissuasion" effect of work requirements. By operating programs such as Self-Sufficiency First and by requiring most new applicants to find private-sector employment or perform community-service work shortly after enrolling in welfare, Wisconsin has cut the number of new AFDC entrants almost in half over the last two years.

5. Require continuous activity. In the private sector, employees are expected to work continuously, not intermittently. This principle must be duplicated in welfare. Once a recipient begins supervised job search, training, or work, some activity should be required without interruption or lessened intensity until the recipient leaves AFDC. In order to reduce welfare recidivism, the work obligation should resume as soon as a for-

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mer welfare recipient returns to the AFDC rolls.

6. Establish a pay-after-performance benefits system. Welfare should be based on "pay-after-performance": Recipients will not receive the welfare check until after they have performed work or other required activity. If they fail to perform the required number of hours of activity, the welfare check must be reduced on a pro-rata basis.

7. Use community-service "workfare" as an enforcement mechanism. Upon applying for welfare, employable recipients should be required to begin a supervised search for employment. If they have not found a private-sector job within six weeks, they should be required to perform community-service work. Of course, the real goal of reform is to see that recipients obtain private-sector employment, not to push them into make-work jobs. But in a conventional welfare system, large numbers of recipients will claim they cannot find private-sector jobs. If such "unsuccessful job seekers" are permitted to remain idly on the rolls, reform will fail. Instead, all individuals who fail to obtain private-sector jobs should be placed immediately in community service slots on a pay-for-performance basis.

This effectively eliminates any recipient's chance of receiving a welfare income without working, and pushes recipients into private-sector jobs while dissuading other individuals from entering welfare. Mandatory community service is thus the crucial backstop to a serious work requirement. Of course, this does not mean that large numbers of recipients will end up in make-work community service. In Wisconsin few do, but the threat of community work is the key to propelling recipients into the private sector.

8. Impose work requirements on the most employable recipients first. The initial goal of welfare reform should be to restrict welfare to those who truly need it and to eliminate from the rolls those who do not. In order to accomplish this goal and to shrink welfare caseloads, work requirements should be focused on the most employable welfare recipients first. These would include two-parent families (10 percent of the caseload in a typical state) and mothers who do not have preschool children (typically 50 percent).

This strategy may seem counterintuitive, but it is essential to reducing dependence. The number of crucial community-service work slots (where the recipient is required to work for benefits) in the first phases of reform will be quite small in relation to the overall caseload. If the least employable recipients occupy these slots, they will remain there for long periods, clogging up the system. When highly employable recipients, by contrast, are faced with the prospect of

Wisconsin Leads the Nation

Change in number of families receiving Aid to Families with Dependent Children, January 1987 through September 1996, by state.

Rank	State	Jan. 1987	Sep. 1996	Change in Caseload
1.	Wisconsin	98,295	49,930	-49.2%
2.	Michigan	214,273	167,210	-22.0%
3.	Iowa	39,697	31,010	-21.9%
4.	Louisiana	85,047	66,540	-21.8%
5.	Mississippi	57,082	44,840	-21.4%
6.	Alabama	47,817	40,640	-15.0%
7.	South Dakota	6,620	5,670	-14.4%
8.	Nebraska	16,246	13,950	-14.1%
9.	Maryland	66,248	57,130	-13.8%
10.	Ohio	227,035	201,950	-11.0%
11.	Illinois	240,764	217,130	-9.8%
12.	New Jersey	117,694	106,500	-9.5%
13.	North Dakota	5,069	4,660	-8.1%
14.	Kansas	25,256	23,390	-7.4%
15.	Indiana	53,156	49,500	-6.9%
16.	Massachusetts	87,195	81,260	-6.8%
17.	South Carolina	45,640	42,640	-6.6%
18.	Wyoming	4,640	4,340	-6.5%
19.	Oregon	30,368	28,530	-6.1%
20.	Pennsylvania	187,946	179,880	-4.3%
21.	Arkansas	22,797	22,060	-3.2%
22.	Montana	9,410	9,490	0.9%
23.	Maine	19,329	19,700	1.9%
24.	Utah	13,720	14,030	2.3%
25.	West Virginia	36,485	37,470	2.7%
26.	Minnesota	54,699	57,150	4.5%
27.	Virginia	56,751	60,340	6.3%
28.	Oklahoma	32,653	35,230	7.9%
29.	Colorado	31,079	33,550	8.0%
30.	Vermont	7,678	8,660	12.8%
31.	New York	358,083	412,720	15.3%
32.	Missouri	67,690	78,980	16.7%
33.	Kentucky	59,579	69,840	17.2%
34.	Dist. of Col.	19,988	25,140	25.8%
35.	Washington	75,697	96,800	27.9%
36.	Rhode Island	15,843	20,420	28.9%
37.	Delaware	7,810	10,450	33.8%
38.	Idaho	6,215	8,500	36.8%
39.	Georgia	87,329	120,520	38.0%
40.	Tennessee	65,296	90,520	38.6%
41.	Connecticut	38,919	57,040	46.6%
42.	California	585,321	870,230	48.7%
43.	Hawaii	14,498	21,890	51.0%
44.	Texas	153,934	238,340	54.8%
45.	North Carolina	67,360	107,480	59.6%
46.	Alaska	7,163	12,320	72.0%
47.	New Mexico	18,207	32,970	81.1%
48.	Florida	102,013	200,290	96.3%
49.	New Hampshire	4,329	8,920	106.1%
50.	Arizona	29,114	61,790	112.2%
51.	Nevada	5,575	13,120	135.3%
U.S. TOTAL		3,735,386	4,267,926	14.3%

Source: U.S. Department of Health and Human Services.

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performing community-service work, most will respond by quickly leaving AFDC, freeing the work slots for others, who will in turn leave the rolls. Through this revolving process, the caseload will begin to shrink quickly. (A variant of this principle is to focus work requirements on recent applicants who are, in general, more employable than the rest of the caseload.)

9. Establish bureaucratic incentives and competition. Throughout the United States, most of the welfare industry is liberal, regards welfare recipients as victims of social injustice, and is threatened by reforms that will sharply reduce its welfare clientele. In order to ensure the faithful and efficient implementation of conservative reforms, decisionmakers must establish precise performance criteria linked to rewards and sanctions for the welfare bureaucracies. In Wisconsin, welfare offices were forced to compete with one another to earn funding, and ultimately each county office faced the threat of elimination if it failed to meet high performance standards set by the governor.

Any state that follows Wisconsin's principles can reduce its welfare caseload dramatically.

Looking Toward the Future

The lessons from Wisconsin greatly influenced the national welfare reform enacted in Washington last year. The new federal law encourages states to pursue work policies similar to Wisconsin's. Among the specific features of the new federal law drawn from Wisconsin are the federal performance standards based on caseload reduction, the use of workfare to "dissuade" new applicants, and a requirement that states set up pay-for-performance systems.

Tommy Thompson has shown that state governments can overcome AFDC dependency. The greatest benefit will accrue to children. In the past, liberals have been mesmerized by the belief that "poverty" somehow harms children and that welfare, by "combating poverty," is therefore good for kids. Hence they are timid, if not outright adversarial, in their attitude toward serious efforts to reduce welfare dependency. But studies that compare children on welfare with poor children not on welfare show that it is actually welfare dependency, not poverty, that harms children. A childhood of welfare dependency lowers children's IQs, increases their likelihood of academic failure, and diminishes their future earnings as an adult. Welfare is a system of child abuse; by radically reducing dependence, Wisconsin's reforms will improve the future well-being of children.

There is, however, one very important shortcoming to Wisconsin's welfare achievement: The current reforms have not cut the state's illegitimate birth rate. Illegitimacy does much more harm to children's development than does welfare dependency. The ultimate goal of reform must be not only to reduce dependency but to rebuild marriage. One can only hope that over the next decade, Wisconsin's reformers will tackle the problem of out-of-wedlock births with the ingenuity and diligence they have already applied to the question of dependence.

Throughout his tenure as governor, Tommy Thompson has routinely accomplished what the welfare industry declared impossible. He has demolished many of the fables buttressing the welfare status quo. Among the venerable myths debunked by Wisconsin are the following: Recipients really want to work but jobs are not available; the lack of day care makes employment impossible; education and training are the key to reducing dependence; and it costs more to reform than to continue the status quo. Thompson has not only rewritten the rule book on fighting dependence; he has invented a new language in which future rules will be written.

Perhaps the most surprising aspect of Wisconsin's story is the extraordinary outcomes produced by mundane policies. There is nothing radical about initiatives like *Self-Sufficiency First* or *Pay for Performance.* Indeed, these policies are pretty much what most voters have in mind when they hear talk of making welfare recipients work. It is true that in the fall of 1997, Thompson will inaugurate a new set for reforms termed Wisconsin Works, or W2. This will abolish AFDC entirely and replace it with a pure employment-based system of assistance. Although great things are expected of W2, its arrival should not overshadow the fact that the current reforms will have already eliminated a vast portion of the Wisconsin AFDC caseload before W2 even begins.

Other states that are in early stages of reform need not leap as far as W2. Any state that will enact *Pay for Performance* and *Self-Sufficiency First,* and follow the nine principles outlined above, will dramatically reduce the welfare dependency of its citizens. Wisconsin has shown the way; it is now up to rest of the nation to apply the lessons learned.

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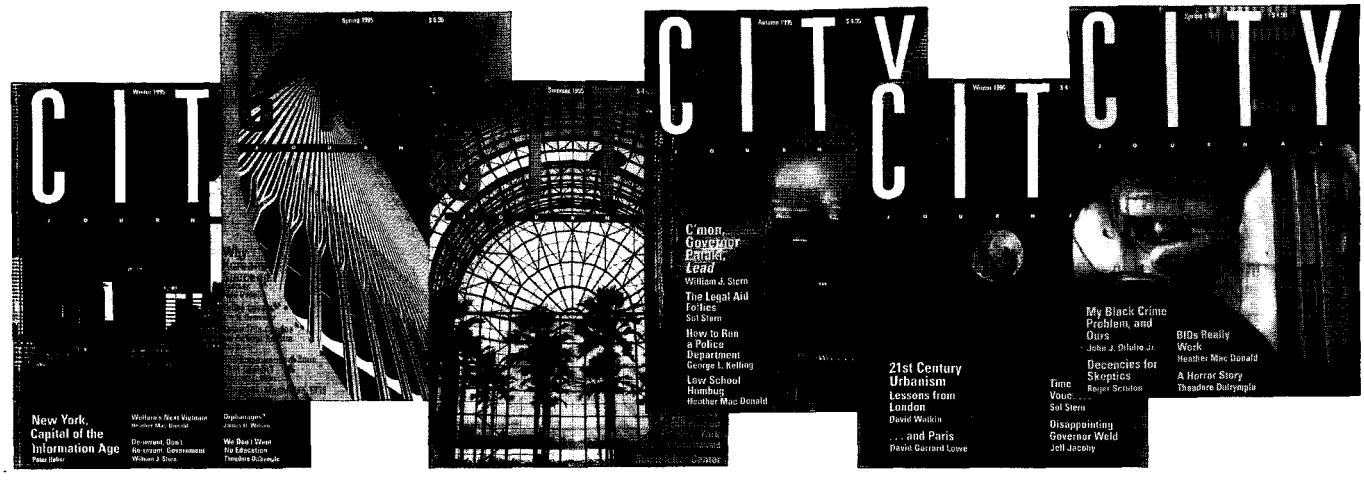

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Illustration by David Clark

By Joe Loconte

The 7 Deadly Sins of Government Funding

Welfare reform is once again forcing upon Americans an age-old debate: How should we, as a society, care for the neediest among us? Until about the 1960s, privately funded charities were the most vital and visible answer to that question—putting the jobless to work, lifting single mothers out of poverty, keeping delinquent kids out of jail. But gradually, after waves of Great Society programs, government has come to dominate the care-giving industry. Today, federal and state agencies fund and regulate every conceivable social service. And, increasingly, they do so indirectly: Countless charities and other nonprofits are now heavily subsidized to deliver care; many of these "private" groups depend on public funds for well over half of their income. Even numerous religious agencies, typically the most wary of entanglement with the secular state, could hardly survive without government aid.

With the lure of lucrative grants and contracts, government is quietly orchestrating one of the most profound—and overlooked—shifts in public policy in a generation. Massive, direct public funding for private nonprofits is quickly becoming the most important strategy for attacking social problems in America.

But is it working? By increasing the pressure on the private sector to mobilize against poverty

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and other social ills, recent welfare reforms have raised two vital questions: First, have private charities become too dependent on government support? And second, what special risks accompany the taxpayer money that flows to religiously based charities?

Defenders of the "public-private partnership" argue that government contracts make it easier for private agencies to sustain and expand their outreach. That may be true, but more true of those agencies with good lobbyists and political connections. Moreover, the subsidies to these groups carry serious liabilities.

The following observations reveal the dangers—the "seven deadly sins"—of government's alliance with private social-service agencies. They are based on research in Massachusetts, mainly in the Boston area, which was chosen in part because of its heavily funded network of social services. Nearly all of the organizations cited depend on public money for at least 60 percent of their budgets.

What follows, then, are not the criticisms of disenfranchised outsiders, but the insights and concerns of the system's benefactors—or, put more precisely, its dependents.

for Private Charities

1. Government regulations force providers to waste resources. With government grants and contracts come government standards—reams of regulations intended to ensure accountability and guarantee quality care. What they guarantee instead is mindboggling waste.

Jacquelin Triston, a Salvation Army captain in Framingham, oversaw a federal lunch program at an Army center that mandated every child be served an entire meal every day—whether he wanted it or not. And if a child asked for a second helping of anything on the menu, he got an entire meal. "It was a crazy waste of food," Triston says. "It just ended up in the trash."

The Key Program offers counseling and other support services to 700 youths daily, most of them in trouble with the law, at 40 sites throughout New England. Ninety-nine percent of the program's $15 million budget comes from state and federal sources. To continue to receive government funds, however, all Key centers must be fully accessible to the handicapped under the federal Americans with Disabilities Act.

So exactly how many of its kids are physically handicapped? "Zip," says Bill Lyttle, a 20-year veteran of the agency. "Our programs are not designed to serve handicapped kids. We serve a lot of delinquent kids. There are not a lot of delinquent kids stealing cars in wheelchairs."

Local regulations may be as clumsy and wasteful as federal rules. Private schools are prime targets of overzealous regulators, says Dick Barbieri, the executive director of the New England Association of Independent Schools:

- A small elementary school sets up a lunch table for students to make their own peanut-butter-and-jelly sandwiches. A food inspector insists that every piece of bread placed out for use must be individually wrapped. Under the new rules, Barbieri says, "a kid comes along, takes two slices of bread, makes a peanut-butter-and-jelly sandwich. Regulators call that a health hazard."
- Another school builds a hockey rink, but a fire inspector rules it cannot open because it lacks exit signs that would remain lighted in case of a blackout. School officials point out that the rink has no walls—just a roof supported every 20 feet by girders. The fire inspector is unpersuaded, and the school installs the exit signs.

"What government agencies don't understand," says Bill Chiaradonna, the director of programs at Catholic Charities in Boston, "is that the more they regulate us, the more we have to spend what little money we get on business people and secretaries."

2. Government regulations cripple common-sense caregiving. The impulse to standardize care, to minimize the risk of accidents or failure, feeds an ever-growing regulatory thicket—one that entangles and paralyzes local decisionmaking.

Washington issues numerous guidelines, for example, for the distribution of Federal Emergency Management Agency (FEMA) money. The Salvation Army's Triston oversaw a Cape Cod chapter that received FEMA funds to help struggling families meet rent and utility payments. But the money was tightly regulated: help could be given to a family only once in a fiscal year, for example, and could never amount to more than a month's bill. Local caregivers found they couldn't apply the money in ways best able to meet the financial crises of individual families. And that, says Triston, "made it difficult at times to really assist people in an appropriate way."

It is a vice not confined to Washington regulators. Consider the Massachusetts Department of Mental Retardation (DMR), which oversees all residential facilities for the mentally and physically handicapped in the state. DMR regulations demand that facilities investigate and report every incident involving the possibility of injury

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to residents. But the guidelines do not allow for the normal scrapes and bruises that mentally and physically handicapped people are bound to suffer. Though the rules permit program staff to use professional judgment in reporting incidents, providers say the mood created by regulators turns every bruise into a possible government probe.

"We're constantly debating whether something needs to be reported," says Maggie Mahoney, director of residential services at the Boston-based Justice Resource Institute. The Institute, which oversees several centers for the disabled, is continually processing paperwork on potential violations, incident reports, or actual investigations—sometimes eating up 75 percent of Mahoney's work week.

The organization's dependence on public funds—nearly all of its budget is paid by the state—makes it especially vulnerable to government oversight. "Regulations dictate everything we do," says Mahoney, who has since left the Institute. "They tell us how many staff we have to have depending on the level of disability, what things are locked, what medications are kept, how individual service plans are developed."

She's not kidding. A human-rights committee, authorized by the DMR to review caregiving policies, recently overruled a staff decision to lock a refrigerator. JRI staff locked the refrigerator at one of its facilities because a resident with an eating disorder was stealing everyone else's food. The committee wanted the refrigerator unlocked and a staff person assigned to monitor the woman.

"Regulations dictate everything we do."
—Maggie Mahoney, Justice Resource Institute

But all of the center's eight residents need significant custodial care, and there are not enough staff to give her exclusive attention. The Institute proposed an alternative: secure the refrigerator only when all the residents are home. The committee balked, spent months debating the issue, and ruled that the refrigerator should remain unlocked. "It just couldn't get resolved," says JRI director Bob Richards.

Many providers who deal with state agencies doubt that public officials appreciate the effect of regulation on day-to-day operations. "Some peoples' jobs are to create regulations," says the Key Program's Bill Lyttle. "If they don't find deficiencies, somebody thinks they're not doing their job. So their job is to find problems. It's the wrong orientation." Complains Ed Gotgart, the president of the Massachusetts Association of Non-profit Schools and Colleges: "Compliance becomes the focal point and not the program."

***3.* Government squeezes providers into its caregiving mold.** The bureaucratic state places tremendous pressure on providers to adopt its vision of "professional" care. Listen to the Rev. Phillip Earley, legal counsel at Catholic Charities, who has reviewed his agency's state contracts for more than a dozen years: He wishes that government "would just give us a little more freedom in designing the services" and laments what he calls "the cookie-cutter approach to treating people."

One tool in that approach is the state's licensing system, which determines whether groups qualify for grants and contracts.

Jim Major, the director of the Massachusetts Association of Approved Private Schools, recalls a lengthy battle waged by the state Department of Education against a Springfield school for deaf children. The school, under contract to provide special education, cut its costs by renting classrooms from local public schools. By bringing its children into public classrooms, the Springfield school also encouraged interaction between deaf and nondeaf kids, a cherished goal among state educators. But the Education Department threatened to revoke the school's license and shut it down, Major says. The reason: The public school classrooms lacked state approval as appropriate facilities for the deaf.

The Department's licensing regs also stipulate that any new special-ed program must have 20 students. Major says the number is unrealistically high for most communities. "The regulations create a box kind of mentality about how special education should be provided," he says. "There are a lot of other ways to meet the educational needs of kids . . . but people aren't allowed to do it that way if they tell the state."

Thanks to state monitoring, Massachusetts educators also must anguish over the distinction between a preschool and a day-care center. The state licenses 120 independent private schools—elementary, secondary, and boarding schools—serving about 35,000 students. Many have preschool facilities on site, but principals and teachers don't operate them as day-care centers. Instead, they use educational materials and curricula appropriate for preschool classrooms.

But the state Office for Children makes a raw numerical judgment: If the majority of a school's students are in preschool programs, then the preschool arm is considered a day-care center. It must conform to all state regulations governing child-care facilities, including training for super-

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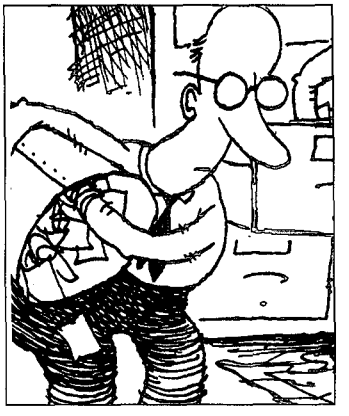
visors and administrators, a high teacher-pupil ratio, and building and safety codes.

Many of the state's independent schools, however, use Montessori educational principles, which keep the number of teachers to a minimum to encourage children to work together. State staffing regs for day-care centers undercut the Montessori philosophy. Says Barbieri, "you thwart your educational aim in order to conform to the day-care center standards."

A license to heal. Government regulators also pursue conformity by insisting on credentialed staff. State contracts contain unbending requirements for certified caregivers. Though few providers challenge the need for professionalism, some say the system's inflexibility is utterly counterproductive.



"It's a disaster," says Joyce Strom, the executive director of the Massachusetts Society for the Prevention of Cruelty to Children (MSPCC). Her Boston agency, which offers early intervention programs for families at risk of abuse, historically has relied heavily on volunteers. But state demands for credentialed staff undercut the agency's ability to use them. "We are so turf-driven and so professionally driven that we let it create a rigidity that I'm not even sure does the best job."

In areas such as substance-abuse treatment, state-mandated approaches clearly are not doing the best job. Despite layers of licensing and credentialing rules, long-term recovery rates for those in government-approved treatment programs are notoriously low. State-funded services are designed to wean people off drugs for a few days or weeks at a time. But most don't touch the deeper factors that contribute to substance abuse, such as personal responsibility and accountability to others and to God

Meanwhile, private, noncredentialed, spiritually-based programs such as Alcoholics Anonymous remain one of the most successful efforts nationwide. "When somebody comes into recovery, he's spiritually bankrupt," says Karen Wakefield of STEP, a Boston treatment program based on the 12-step model. "But [state-approved] service provision deals with the physical or the mental. We've totally ignored the spiritual, and now we're paying the price."

4. **Government focuses on delivering services, not results.** Whenever a social-service agency accepts a government contract, it also accepts a built-in bias in the way its work will be measured and rewarded. Government excels at quantifying and paying for services delivered: the number of clients counseled, beds provided, days spent in drug detoxification. But government pays little attention to the ultimate effectiveness of those services. "Nobody gives a darn if the kid got better," says Joyce Strom of the MSPCC, a leading recipient of family-service contracts. "All the auditors look at in my budgets is to see if I bought as many pencils and spent as much on gas as I said I did."

Each year, for example, Massachusetts pumps millions of dollars into substance-abuse programs, with no idea whether they are curing or perpetuating addictions. Though the state's Bureau of Substance Abuse employs a staff of 40 to manage its contracts, no one evaluates the effectiveness of the providers. "I don't know if a person we treat shows up in another treatment program across the city," says Steven Moss, the vice president of substance-abuse-treatment services at Dimoch Community Health Center in Boston. "Nobody really funds us to track people down."

This fixation on providing and quantifying services—whatever the ultimate outcome—reflects an entitlement mentality. It is the notion that all needy people deserve limitless public assistance, regardless of their willingness to change destructive attitudes and behaviors.

Boston's Pine Street Inn, one of the largest shelters in New England, provides food and housing to nearly a thousand homeless men, women, and children each day. But the shelter's contracts with government do not include any targets for moving people out of homelessness and into permanent independence. For most of Pine Street's 25 years of operation, its philosophy of assistance has mirrored that of government contractors. "The vision [has been] keeping people alive and meeting incredibly basic needs," says Jan Griffin, the director of program planning.

"It's the cookie-cutter approach to treating people."
—Phillip Earley, Catholic Charities

The shelter expects very little of its residents. They are not required to work or take classes. Nor do officials insist that all able-bodied residents enter its employment and housing program; no more than 20 percent of male resi-

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dents ever volunteer. Even the no-drinking rule is qualified: Pine Street residents can walk a few yards from the shelter to a "wet park"—a place where they can drink alcohol unmolested all day long—and return to the shelter in the evening, no questions asked.

Beth Kidd, the director of another residential center for the homeless and other needy persons, believes that's the wrong way to offer help. "People who are substance abusers, who have been out on the street for years—they've learned how to survive," she says. "They know how to manipulate. And what they've learned from the system is, 'I can make the system take care of me.' " What they need, she says, is moral challenge, not milquetoast charity. Kidd's Boston agency, Place of Promise, won't take a dime of government contract money because she wants the freedom to challenge people to reform bad behaviors—a freedom that her state-paid colleagues tell her they don't always have.

A 25-year veteran of neighborhood nursing, Kidd tells the story of a young woman who had worked as a prostitute, became addicted to drugs, and eventually died of AIDS. "When she came here, she'd been through every government agency, everything Boston had to offer," Kidd says. Nothing had turned her around. A public nurse sent the woman to Place of Promise because she didn't know what else to try. A couple of days before she died, the same public nurse came to see the woman. "She struggled herself up on her elbows—she was so sick—and grabbed the nurse by her collar and pulled her down so she could hear," says Kidd. "She said, 'You've got to hear what I'm telling you. I have found life here. I am so filled with joy because I have finally found forgiveness.

" 'All those times you tried to tell me that everything I was doing was OK, I knew it wasn't OK. It destroyed everybody I ever cared about, everybody I ever loved. And most of all, it destroyed me. And you kept saying it's all right.' "

5. Agencies that chase public dollars confuse their mission. Government grants and contracts can be a tantalizing diversion. Even private agencies with the best of intentions may assume tasks that have little to do with their original purpose and for which they may be ill-equipped. "Most everyone is fighting for every penny they can get to run whatever program they have," says the Salvation Army's Triston. "It's really a matter of, if you can't do it the way you want, then you'll take your program and you'll fit it into what government will give you money for."

Sometimes private agencies have little choice. Kristen McCormack, a former executive director of Federated Dorchester Neighborhood Houses, recalls a summer-camp contract with the state Department of Social Services to help abused and neglected children. Federated Dorchester, an association of settlement houses in Boston, ran its own camp program for local kids. But it was not equipped to handle children from the DSS caseload. Nevertheless, it struggled with the contract for years.

"Everything about it was a disaster," McCormack says. "It was insane, we lost tons of money on it, it wasn't consistent with our mission." DSS caseworkers referred children from all over the city, often without reliable transportation, to the Dorchester camps, yet the agency had no buses to pick them up. DSS required numerous pages of paperwork for each referral, yet the agency lacked the administrative manpower. Most importantly, the agency was being asked to provide a program to DSS children with intense behavioral and emotional problems. "They were abused and neglected kids, which we didn't have the capacity to deal with in our summer camps," says McCormack. "We did not have intensive counseling and therapy."

Eventually McCormack told a regional DSS officer that Federated Dorchester would discontinue the contract. "I said we can't provide this service and we're not meeting the needs of the kids," she recalls. The DSS officer reminded McCormack of the $2 million in day-care contracts her agency had with the state. "They actually said, 'If you want your day-care contract, you will take the summer-camp contract,'" she says. "They were very clear." The agency renewed the contract.

Watching the children. Up until the late 1970s, Massachusetts performed its own investigations and assessments of welfare families, through its child protective services department. As its welfare caseload ballooned, so did the state's need for protective-service work. But government lacked the staff to monitor families effectively. By the early 1980s, the DSS began enticing child-welfare groups to take on its investigative caseload.

"You'll take your program and fit it into what government will give you money for."
—Jacquelin Triston, Salvation Army

"Rather than purchasing add-on or supportive services from private agencies," says Bill Chiaradonna, the director of programs at Boston's Catholic Archdiocese, "DSS was trying to get the agencies to do the same work that it

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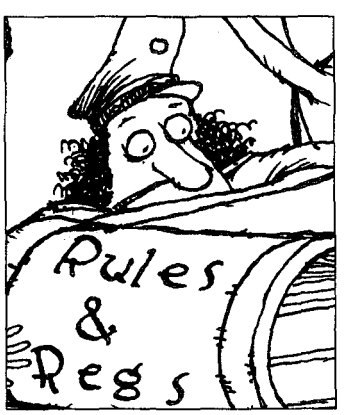
was doing." Although it boasted a long history of work in adoption and foster care, Catholic Charities had no experience in protective services. Nevertheless, by the late 1980s the charity brought in more than $1 million a year in child-protection contracts.

"This made us almost identical to the DSS office," says Chiaradonna, "and that became a problem." The problem was that Catholic Charities acquired the same stigma in the community that attaches to a government protective-service agency: It took on a quasi-policing function, monitoring and reporting parents suspected of abusing or neglecting their children.

A similar identity crisis enveloped the Massachusetts Society for the Prevention of Cruelty to Children (MSPCC). Founded in 1878, the agency had long focused on preventive services to families at risk of neglect or abuse. But by the 1980s, after the DSS reorganized, most of the big state contracts available to private agencies funded family investigations and case management of DSS families.

For abuse-prevention groups such as MSPCC, this was the wrong emphasis. The agency wanted to make sure families were getting enough support from the start—including prenatal care, parenting skills, home visitation, counseling, health and other support services. Like Catholic Charities, however, MSPCC went along with the contract flow, eventually depending on child-protection work to fund 70 percent of its budget. "The board [of directors] felt it did contaminate their mission, and that they had to do what the state said," says Strom, who joined the agency in 1991. "They wanted to get back to the prevention word in our name."

Ironically, they soon got some help from the state legislature, which passed a bill banning most nonprofits from doing child-protection work. Cases were transferred back to the state, and funding to private groups was cut off.



Private agencies went into a tailspin. The MSPCC reorganized and launched a massive fundraising campaign. Catholic Charities scrambled to salvage other programs. The agency laid off social workers and supervisors, relegated program directors to part-time hours and restructured its administration. "There was a whole infrastructure that was supported in part by the DSS contracts," Chiaradonna says. "We were still being true to our mission," he insists, "but in the end, we probably would have gotten out of protective services ourselves."

Heavy dependence on federal and state contracts means dancing to the government piper. Public funding, says Strom, "definitely undermines your capacity to . . . show leadership, to try new demonstrations, to find strategies that work that bureaucracies can't get away with."

"They don't think that anybody can take care of themselves unless there's a government agency overseeing them."
—Dick Barbieri, Association of Independent Schools

The leaders of Bruce Wall Ministries, a church-based program for at-risk youth, place a holy premium on their financial independence from government. For 20 years, public funds have supplied less than 5 percent of the Boston agency's budget. "There's this feeling that the cat's already out of the bag," says Karen Wall. "But my feeling is you'd better hold onto the cat's tail. Better to stop now than to get in bed with the feds and not have a sense of where you're going."

6. Politics often drives caregiving decisions. Racial and ethnic politics, the biases of state agency commissioners, the shifting fiscal moods of the state legislature—all these factors affect program decisions. Consider:

- Project Place has a grant to work with Latino girls in a local school system. The girls are considered at high risk for pregnancy, drug use, and AIDS. But so are the whites, Asians, African Americans, and other students in the school district, which has asked Project Place to expand its outreach. "The grant doesn't allow us to do that," says executive director Suzanne Kenney. And so the program's government-funded counselor must literally turn away anyone but Latino girls.
- The DSS decision to end nearly all of its protective-service contracts with private providers had nothing to do with quality control. When the DSS transferred the cases of roughly 3,000 families back to its own caseworkers, critics said the agency wasn't ready. It lacked the personnel to handle the larger caseload and had no transition plan for the extra families. Says Joyce Strom of MSPCC, "It was not thoughtful, it was not practical, it was not logical."

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Why the shift? It was part of a deal between state legislators, who wanted to cut the budget of the Department of Social Services, and the social workers union, eager to protect its members' jobs. "There was a political deal cut with the union and the Senate Ways and Means [Committee] in the middle of the night," Strom says. "They said, 'You're cutting so much money, at least bring back the private money in protective services, and we won't fight you on these budget cuts.' "

The state vs. St. Ann's. Finally, consider a dispute that broke out in August 1995 between a state agency and a residential facility for children. The Department of Social Services instructed all residential-care centers for emotionally troubled children to get DSS kids out of the expensive facilities as quickly as possible. Most would be sent to less supervised foster-care settings. Transition plans for the children were to be scrapped. So instead of a gradual transition—two or three months to get acquainted with a new foster family—the children were given a matter of days, sometimes barely 24 hours.

The roughly 1,700 children in the system, however, are some of society's most vulnerable. Most have been abandoned, abused, hospitalized for emotional problems, and in and out of foster homes. For these kids, the word "family" means pain, abuse, and rejection.

In justifying the decision, Governor William Weld's administration tried to have it both ways. Citing a $5.5 million deficit facing the DSS, the governor called the move "well within the range of reasonableness." At the same time, a DSS spokesperson portrayed the decision as a deliberate shift in the agency's treatment philosophy. "We've got a whole new attitude," she told the *Boston Globe*. "The old way was to park kids in group care forever. We don't think that's best for the kids. We want to see how they do in less structured settings, so we can get them into permanent situations."

Patrick Villani, the director of St. Ann's Home in Methuen, was aghast. "This all starts not with a new philosophy," he says. "It starts with a $5.5 million deficit. And then havoc breaks out."

Villani fired off protest letters to the governor, the secretary of the Executive Office of Health and Human Services, and the DSS commissioner. A child psychologist predicted terrible results for the children, writing of one case that "it would be hard to design a transition out of residential treatment that would be less appropriate/more destructive for this child." Unmoved, DSS officials ordered children shipped out to foster care or other less expensive settings.

"You work for us." Villani met with administration officials, who wanted his criticism to end. Villani says the $4 million in DSS funding for St. Ann's hung silently—but heavily—in the air. The administration's tacit message: "You've got to realize you work for us." End of meeting.

But not end of story: St. Ann's filed suit against the state, charging administration officials with an attempt to silence criticism. The Office for Children eventually found that DSS had violated 27 regulations for its own licensing. A follow-up with some of the children confirmed earlier fears: Some had passed through several foster homes, others needed psychiatric hospitalization, one had allegedly assaulted a roommate, and another had set fire to his room.

"Is the state committed to treating these kids? I think the answer to that is no," Villani says. "What this all shows in the end is that the state cannot be expected to act in the best interests of kids in its custody because of the funding constraints placed upon them."

Villani fears that government intrusion of this sort may portend the future of social services—an unhappy Brave New World of careless, cost-driven treatment philosophies. "They're in essence buying the professional to say that the child does not need the more expensive forms of treatment," Villani says. "Survival depends on producing the kind of optimistic statements about treatment—especially inexpensive treatment—that the state wants to hear." State accountants and politicians as therapists? That sounds more like a George Orwell novel than a philosophy of caregiving.

7. Government tends to secularize religious programs. Just like their secular counterparts, many religious providers would founder or shut down without government contract money. Two of the state's largest religious charities—Catholic Charities and the Salvation Army—depend on government contracts for more than 50 percent of their funding.

Paradoxically, the federal courts' obsession with the strict separation of church and state prohibits government support of religion. How, then, can government justify public assistance to these groups?

In a landmark 1988 case, *Bowen v. Kendrick*, the U.S. Supreme Court ruled that the state may fund social-service agencies with religious ties—but only when those groups are not "pervasively sectarian." Though it never clearly defined that pregnant phrase, the Court insisted that agencies separate "religious" and "secular" activities to qualify for public funding. How does church-state law influence religious nonprofits that do

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business with government?

Defining membership. Consider employment policies. Federal civil-rights laws allow privately funded groups to discriminate in employment for religious reasons. But wherever public money goes, anti-discrimination laws generally follow. Massachusetts law is especially restrictive: Once state funds flow to a nonprofit, the Commonwealth prohibits discrimination based on religious or sexual orientation, no matter how sectarian the group or agency.

For religious organizations, however, the religious credentials of its employees can be crucial. "Employees and their religious commitments virtually define an agency," says Steven Monsma, a political scientist at Pepperdine University and the author of *When Sacred and Secular Mix.* "If a faith-based agency may not limit their hiring to persons of their own faith, the religious nature of that agency would be effectively destroyed."

Catholic Charities now supports most of its paid staff through contract money. Agency officials seem surprised that religious questions would even be discussed in the job application process. "When a person becomes an employee of Catholic Charities, I'm not so sure they're doing it because of any spiritual thing, or because of our mission," says Earley. "It's a job. They're a social worker and there's a position available." Sister Linda O'Rourke, the vice president for the Boston charity's day-care programs, describes the "interfaith" nature of the organization's staff. She estimates that more than half are not Catholic.

Hiring practices at the Salvation Army, a Protestant evangelical organization, also can be problematic. Though known as a social-service agency, the Army is legally constituted as a church. Each local Army center, which supports a congregation, must be led by a Salvationist minister. This position is funded privately, so no discrimination statutes apply. Any staff position paid for with public funds, however, is subject to all relevant state laws prohibiting discrimination.

Although Army members may be hired under a state contract, religion must not be a criterion for these jobs. So many positions are now filled by applicants with professional—not necessarily religious—credentials. A day-care center employs a Jewish director. A drug-treatment center with a staff of eight employs only one Salvationist, and includes an Islamic counselor who serves Muslims. "We have a drug clinic, and that needs a licensed clinician. We have a day-care center that needs a masters-level program in child development. Those criteria will always be first and foremost," says Jeff Green, a social-service coordinator for the Army's Massachusetts Bay Area centers.

On the issue of homosexuality, both charities must live with a certain amount of tension. Catholic and Salvationist teaching considers homosexuality morally deviant and officially bans homosexuals from roles of spiritual leadership. But state law prevents officials from quizzing job applicants about their sexual orientation. When it comes to hiring, church officials seem to follow President Clinton's notorious compromise with the military: don't ask, don't tell. However, unlike military policy, openly gay, state-paid employees could not be dismissed because of their homosexuality.

God in a box. A second threat awaits religious charities doing business with government: Can courts really insist that they expunge the spiritual components from their programs?

"If they don't find deficiencies, somebody thinks they're not doing their job."
—Bill Lyttle, the Key Program

The original mission statement of Catholic Charities in Boston was "to insure the religious education of Catholic children placed in non-Catholic foster homes." The charity's prime concern was to safeguard the Catholic faith of some of its community's most vulnerable members—parentless children. It was a decidedly sectarian mission.

The charity's most recent mission statement identifies its central task as "supporting the social, mental, and spiritual well-being of children, families, and individuals." Catholic Charities now offers a full range of health and social services to more than 100,000 people annually—to people of all faiths or of no faith. Says Earley: "We don't check baptismal slips at the door."

As the agency's agenda has broadened, however, its self-conscious spiritual agenda has withered: Catholic Charities is legally incorporated as a not-for-profit, nonsectarian agency, and there now is little religious content to most of its state-funded programs. The charity's largest day-care program in Boston, for example, offers no religious instruction for its children. Youth intervention programs avoid discussion of religious topics. Education and parenting programs for pregnant teens, though decidedly pro-life, are short on references to distinctive Catholic religious teaching.

"Some clergy think we should be teaching Catholic theology," says O'Rourke. "But it's not the mission of a social outreach movement to teach and evangelize." Says Earley, "I'm not sure

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that the so-called explicitly spiritual issues come up."

The Army's quagmire. The Salvation Army—with a church facility, a minister, and a congregation at most local chapters—is in a stronger position than many other church-based providers to preserve a spiritual dimension to its social outreach. At one Army chapter, men from a state-funded shelter program attend a Bible-and-fellowship club; a day-care center for preschool-age children offers a Bible study for parents during the week; a drug-treatment program holds a mandatory chapel or meditation service every morning.

Moreover, the Army is legally constituted as a church—"an evangelical part of the universal Christian church." Its mission statement is unabashedly sectarian: "to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination." "It's an integrated ministry," says Steve Carroll, an officer of the group. "Our Christian mission and Christian focus is in no way separated from the social services and the work which we do. In the Salvation Army, you can't draw a line."

The dilemma is that this is precisely what federal and state law demands of religious charities. The Salvation Army is more aggressive than some other church-based agencies in providing its clients with "religious" activities—church services, Bible clubs, prayer meetings. But the contract system prohibits the Army from directly incorporating these activities into state-funded programs. No public funds can be used for them, and no publicly funded staffer can perform them on program time. Says Green, "The leader of the day-care center or drug clinic would not be leading a Bible study." In this sense, the Salvation Army manages to keep religion close at hand as it helps the needy. But in order to avoid violations of the First Amendment, it pushes explicit expressions of faith to the periphery.

All of this adds up to an ambiguous, adversarial, even precarious relationship between the secular state and its religious providers. Says Pepperdine's Monsma, "When one looks at the legal and constitutional bases on which they receive those funds, the situation could not be more uncertain and dangerous."

From the vantage point of the faithful, the greatest threat is not the loss of contract money but the slow corruption of their religious institutions. If staff members—and the faith they bring with them—do not help define a religious organization, what does? The government's effort to distinguish between sacred and secular activities only compounds the problem. To avoid being deemed "pervasively sectarian," religious entities are careful to separate their government-funded acts of charity from explicit expressions of Christian faith and practice. Ironically, the religious groups most successful at managing such segregation may be in the most danger. Warns John Samaan, the director of the Boston Rescue Mission: "If you're a Christian organization that doesn't have Christian outreach, you're not a Christian organization anymore."

A deadly peril. No particular political bent is needed to recognize the ill effects of entangling social-service providers in government financing: Some of the agencies most beholden to the public-funding regime are its most potent critics. Dick Barbieri of the New England Association of Independent Schools, a long-time servant in that regime, describes the mindset of state regulators this way: "If it isn't regulated, it's a deadly peril. They don't think that anybody in society can take care of themselves unless there's a government agency overseeing them."

Twenty years ago, Peter Berger and Richard John Neuhaus raised similar concerns in their groundbreaking work *To Empower People.* The authors warned that a social-service strategy with government funding as its lifeblood would produce all sorts of mischief. Government, they wrote, could easily co-opt private agencies "in a too-eager embrace that would destroy the very distinctiveness of their function."

Veterans of this system confirm their anxiety. "Virtually every agency of any size at all does some business with the state," says Joseph Doolin, the secretary for social services at Catholic Charities in Boston. "And, increasingly, any business [with the state] becomes dominant business—and, hence, the whole disappearance of a truly voluntary sector." Such is the verdict of one of the largest, most politically-honed providers in one of the nation's most progressive states. Let's hope it won't be lost on others determined to offer the most effective help to our nation's neediest.

"Better to stop now than to get in bed with the Feds and not have sense of where you're going."
—Karen Wall, Bruce Wall Ministries

Joe Loconte *is the deputy editor of* Policy Review: The Journal of American Citizenship. *His article is adapted from a book to be published by the Pioneer Institute, in Boston. The project was commissioned by Boston University's Institute for the Study of Economic Culture, directed by Peter Berger.*

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I Hear America Singing

The Arts Will Flower Without the NEA

By William Craig Rice

The death knell is sounding for the National Endowment for the Arts. The agency's federal appropriation last year fell by one-third, from about $150 million to about $100 million, and its appropriation may be cut again or even eliminated in the current session of Congress. The NEA is not only anathema to cultural conservatives, libertarians, evangelical Christians, and even a good number of artists. It is also likely to lose key political support as President Clinton and other Democrats resolve to keep moving toward a balanced federal budget without compromising Medicare, Medicaid, education, or the environment.

But the end of the agency's federal funding need not

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prove cataclysmic for the arts in America. Artists, arts organizations, and their supporters have many strategies at their disposal for maintaining the vitality of the arts in a post-NEA era. And in any case, the importance of federal grantmaking to the arts has been greatly exaggerated.

The NEA currently contributes to the arts in two ways: direct funding and less tangible, indirect services. Nowadays direct funding consists almost entirely of cash awards to arts organizations and event sponsors. (As of 1996, grants to individual artists were eliminated, except for creative writers, jazz greats, and masters of folk crafts.) NEA-financed music ensembles, dance festivals, museum exhibitions, and the like undoubtedly face a period of sacrifice and uncertainty, and there will be some casualties. But their prospects are far from hopeless.

The NEA also renders indirect, noncash benefits and services through its peer-review panels. Their judgments can stimulate funding from other sources and identify certain artists and organizations as more deserving than others. In this realm of power-by-imprimatur, the judgment process would, in fact, probably work better if it were decentralized and used to spur greater involvement by funders.

Making up the Shortfall

To understand the reasons for optimism, it is necessary to assess the true nature of NEA spending priorities. The NEA's largesse regularly benefits the great established urban institutions and smaller local organizations of long-standing reputation. The NEA has also funded, less dependably, dozens of marginal artistic groups, some of which claim to depend on NEA funding for their survival. As a rule, the larger institutions will overcome the NEA's decline easily, but the smaller ones need not suffer if they heed certain examples set around the country.

One might not know it from the political controversies that have attracted public attention, but the NEA has always favored the most venerable—and richest—cultural establishments over the esoteric, the shocking, and the avant-garde. A survey of funding patterns in 1985, 1990, and 1995 clearly reveals this preference. The Metropolitan Opera in New York City has been the single largest recipient of NEA funds, with annual grants between $800,000 and $900,000. Typical grants for other high-profile beneficiaries range from $200,000 to $350,000, awarded year after year and now incorporated into annual budgets. In theater, by far the biggest ongoing grants go to the major presenters and training centers, such as the American Repertory Theater in Cam-

Photos courtesy of the Metropolitan Opera and the Boston Symphony Orchestra

The biggest beneficiaries of federal arts funding are wealthy, established groups like the Metropolitan Opera (left) and the Boston Symphony Orchestra, which can easily make up the loss of NEA grants with slightly higher ticket prices.

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bridge, Massachusetts ($305,000, on average, in 1985, 1990, and 1995), the Center Theater Group of Los Angeles ($251,000), the Guthrie Theater in Minneapolis ($274,000), and the Yale Repertory Theatre ($167,000).

In the museum world, the consistent winners are big-city institutions: Boston, Chicago, Detroit, Los Angeles, New York, Philadelphia, San Francisco. In dance as well, the NEA has heavily favored the most established organizations. The Dance Theatre of Harlem, for example, averaged $303,000. Nearly all other troupes with six-figure grants bear the names of modern American legends: Alvin Ailey, Merce Cunningham, Martha Graham, Paul Taylor, Twyla Tharp.

This preference for elite establishments should not be surprising, since it is usually the larger, wealthier institutions that have the staff and resources to put together winning grant proposals. The higher the grant amount, the more this pattern holds true. The NEA's differential treatment of arts institutions confirms economist Friedrich Hayek's dictum that centralized authority inevitably favors the rich and well-educated because they have greater access to the sites and protocols of power. NEA support for music in the state of Pennsylvania at the height of the NEA's prowess in 1985 emphatically illustrates this. Grants that year overwhelmingly favored the Philadelphia Orchestra and Pittsburgh Symphony, which received $290,000 and $280,000, respectively. All the remaining grants that year—to 28 Pennsylvania musical organizations—totaled $301,000.

At first blush, six-figure grants to our most revered institutions may appear difficult to replace, and the potential damage from cuts quite dire. But on examination it is hard not to reach the opposite conclusion. The NEA's largest grants are tiddlywinks to the big players in American culture.

Music. Take the leading example, the Metropolitan Opera. Using conservative estimates, its annual $875,000 dependency could be made up by raising the price of tickets, which already cost $125 and up, by $1.50. For the Philadelphia Orchestra, Pittsburgh Symphony, and other great American orchestras, a hike in ticket prices of less than $2 would replace any shortfall in NEA funds. The Boston Symphony Orchestra received only $300,000 of its $47 million operating budget from the NEA in 1996—less than 1 percent of the total, or 40 cents per ticket sold that year for BSO, Boston Pops, and Tanglewood Festival concerts.

Museums. The Art Institute of Chicago has received about $325,000 a year from the NEA, but this is only 1 percent of its budget. The Walker Art Center of Minneapolis received 3.3 percent of its budget in 1995 from the NEA, down from 8.2 percent in 1985. The importance of federal support has declined as individual gifts, foundation grants, and investment income have risen.

Dance. Although modern dance began as an esoteric experiment, performances now enjoy broad popularity with American audiences. If raising ticket prices is a less feasible solution to looming financial shortfalls, modern dance should have a good chance of winning corporate support. According to a recent analysis reported in the *Chronicle of Philanthropy*, corporate giving to the arts, especially in the once-generous financial services sector, has drifted away from symphonies and arts associated with the wealthy; it now focuses on causes with more popular appeal. Modern dance, seeking corporate support in this new environment, can cite its origin in the United States and its roots in our cultural diversity as well as its popularity.

At most leading symphonies, a small hike in ticket prices would replace any shortfall in NEA funds.

Theater. The major outlets for professional theater face huge challenges as well. Robert Brustein, one of the foremost trainers of new theater talent, writes in *Theater* magazine that "as funds dry up for the arts in this country, and theater grows increasingly estranged from younger audiences, there is no question that the marketplace will play a larger and larger role in the non-profit future." For Brustein and most other theater people, the marketplace is no talisman of artistic excellence, driven as it is by consumer taste and capitalism, which tend to impinge on artistic freedom and dilute quality in favor of popular appeal. But there are ways that commerce could be enlisted to sustain live theater.

Hollywood, for example, has been 20th-century America's great patron of actors, as well as of writers from William Faulkner and F. Scott Fitzgerald onward. That patronage must be expanded if fresh talent in acting, screenwriting, and production is to continue to flow into studios from the far-flung theater world. Theater and cultural critic Frank Rich of the *New York Times* urges "people who run movie studios, many of whom have talented executives who came out of the non-profit theater world or the non-profit film world, to put something back in [by] training non-profit theaters to market better."

In fairness, some actors and producers have used their money to create opportunity in their

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field. One of the principal beneficiaries is the University of Southern California, which boasts the Steven Spielberg Scoring Studio and two buildings erected by producer and director George Lucas. Actor John Ritter endowed a Town and Gown Scholarship; Jack Nicholson an acting award. James and Nony Doolittle, L.A.'s leading theatrical producers, created a fund to assist recent USC graduates making the transition to professional acting.

But considering the huge fortunes involved, Hollywood moguls and stars could do much more to assure the long-term health of the professional stage—and amateur stage, for that matter—perhaps through such existing professional societies and philanthropies as Actors Equity, the Shubert Foundation (which Brustein praises), and the National Corporate Theater Fund.

Artists on the Edge

If rich, well-established institutions in urban centers can readily make up for lost NEA funds, small and marginal enterprises face steeper challenges. Some will perish because they never developed a large or loyal following during their years of deep dependency on the NEA. Among the most vulnerable are "new music" groups that perform atonal compositions written by university music faculty and little magazines and small presses that publish fiction and poetry produced in creative-writing programs. Sam Hamill, the editor of Copper Canyon Press, predicts that fewer than half of existing small presses will survive into the next century. In an essay in *Poets & Writers*, Robert McDowell of Story Line Press agrees that death awaits "nonprofit publishers that rely almost exclusively on the NEA to sustain their programs." But he also points out that chain stores have not driven independent bookstores out of existence, as was once feared. One consequence of their "healthy competition," he writes, "has been increased exposure for the books produced by independent publishers . . . [and] a growing audience for serious literature."

Thanks to desktop publishing, literary magazines now have a better shot at financial independence than ever before. Advanced software and inexpensive computers and printers have made the production of attractive literary magazines and books easier and cheaper than ever. And this is not even to mention the potential for literary and other artistic dissemination on the Internet, where audiences may not be so small after all, even for atonal music.

Many composers and writers facing the loss of NEA grants are employed by colleges and universities that could effectively underwrite their artists' work. This can be done on the honorable principle that art need not have a large or even a growing audience to be judged worthy of local institutional support. Boston University, for example, is home to the composer Lukas Foss and the cultural magazine *Partisan Review*, and Washington & Lee University hosts the literary quarterly *Shenandoah*. This principle especially needs respect now that many major funding sources (including the NEA) regularly invoke "audience expansion" as a criterion of funding.

Small-scale organizations that cannot be run out of a basement or an Internet site—medium-sized galleries, music ensembles, little theaters—will face uncertainty in localities without a tradition of supporting the arts. Although only a modest number will expire solely for lack of NEA money, advocates are right to warn of imperiled local dance troupes and symphonies. Since 1965, according to John Brademas, an NEA champion who chairs the President's Committee on the Arts and Humanities, the number of orchestras has climbed from 110 to 230; nonprofit theaters from 56 to 425; dance companies from 37 to 450; opera companies from 27 to 120. No commentators dispute the influence of the NEA in this expansion, although some question its pru-

Photo by Corbis-Bettman

The Provincetown Players in Provincetown, Massachusetts, shown here rehearsing, performed early works by Eugene O'Neill and launched the careers of many celebrated actors. The theater group is a mainstay of a thriving arts scene that long predated the existence of the NEA.

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dence. The historian Jacques Barzun argues that we actually suffer from "a surfeit of art," economically unsustainable and unhealthy for artists themselves, who pursue careers with little hope of success and often wind up leading unproductive, embittered lives. Frank Rich complains of "the mediocre theaters, dance companies [and] musical organizations that haven't always deserved the NEA imprimatur," even as he calls for vastly increased federal funding for alternatives to the "inhumane menu of entertainment" offered by TV and Hollywood. If we compromise between the positions of Rich, Brademas, and Barzun, and allow that an ample supply of good, if not great, arts offerings is desirable, we can achieve this end partly by respecting dedicated amateurism and encouraging mergers. For example, the Virginia suburbs of Washington, D.C., currently support four orchestras. Since not all cellists and trombonists play equally well, it stands to reason that an orchestra comprised of the best regional musicians would be much stronger.

Tulsa and Louisville show how regional arts centers can thrive with private funding.

The Return of Arts Havens

One likely consequence of declining federal funding is that we will learn anew to appreciate the role of regional art centers, communities that sustain a critical mass of potters and painters, jazz pianists, dancers, and actors. Just as not all acting companies and art galleries can stay in business indefinitely, not all communities can support a serious art scene. To judge by history, however, it is not just the large, wealthy cities that attract and support creative individuals. In the late 19th and early 20th centuries, long before federal support for regional arts centers, artists flocked to towns such as East Hampton and Woodstock, New York; Ogunquit, Maine; Berea, Kentucky; and Carmel, California.

Taos and Santa Fe, New Mexico, achieved prominence thanks to pioneering souls like Mabel Dodge Luhan, a Greenwich Village radical who moved there in the 1920s and hosted D.H. and Frieda Lawrence and painters John Marin, Marsden Hartley, and Georgia O'Keeffe. The Harwood Foundation of Taos, established in 1923, has for 70 years enjoyed generous community involvement in its museum, performances, library, and grounds, and attracted hundreds of visual artists and writers, as well as organizations such as the Tamarind Institute for print-makers. The Santa Fe–Taos area is now a national center for visual arts, crafts, and music, teeming with concert-goers, tourists, and art buyers.

Provincetown, Massachusetts, also attracted Greenwich Village artists, who staged plays by Eugene O'Neill deemed too radical by New York theater producers. The Provincetown Players and other thespian groups have ever since attracted major talent, including contemporary eminences like Richard Gere and Al Pacino. The Fine Arts Work Center has brought young writers and visual artists together for residencies since the late 1960s. Franz Kline, Jackson Pollock, and other American modernists worked in the town; and the great teacher Hans Hofmann founded a school there. Today, 38 private art galleries line Commercial Street, which leads to the Provincetown Art Association and Museum, founded in 1914. Provincetown differs from Santa Fe, however, in having no conspicuously well-endowed institutions. The 80-year-old Art Association and Museum realizes only a tiny fraction of its $250,000 annual income from investments; the bulk comes from sales, membership, fundraising from foundations, and donations. (Four percent comes from government grants.) Provincetown survives as an art center thanks to its strong sense of identity, collective dedication, commercial orientation, and seasonal tourism.

A community need not duplicate the success of a Santa Fe or a Provincetown, nor offer an exotic locale, to maintain a vital art scene. Certain out-of-the-way cities have done extraordinarily well in the decades since the Second World War, without significant dependence on the National Endowment for the Arts. Tulsa, Oklahoma, is home to four art museums, including major collections of Jewish art and art of the American West, and 11 more museums devoted to jazz, Native American culture, toys and miniatures, firearms, and other interests. Tulsa also boasts an opera, a ballet, and a symphony. The National Endowment for the Arts has supported the opera and ballet fairly consistently with $25,000 grants, and also has occasionally given to museums, but the credit for this medium-size city's burgeoning arts scene goes to the Arts & Humanities Council of Tulsa, which predates the NEA. Unlike most of its counterparts, the Council is funded wholly from private sources: individuals, foundations, and corporations.

An organization called Fund for the Arts in Louisville, Kentucky, offers an even more outstanding case that anxious arts leaders might study. The Fund was established in 1949 in the nation's first community-wide arts campaign. Under the masterly leadership of Allen Cowen, its fundraising has gone from a respectable

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$600,000 in 1977 to $5,300,000 in 1996, rising at three times the rate of the consumer price index. (NEA grants to Louisville organizations currently total about $250,000.) An amazing 30,000 of Louisville's population give to the Fund for the Arts (30,000 out of 1 million). The multiple millions raised are distributed to 17 organizations, ranging from a professional ballet, theater, and opera to neighborhood arts programs. The Fund ranks first in the nation in per-capita giving and, most astonishing of all, has witnessed virtually no real growth in its staff salaries or fundraising budget in the last 20 years.

Regional critical mass is also often achieved in university and college towns. The folk-music revival of the early 1960s was a phenomenon of college coffeehouses and auditoriums, where Joan Baez, Bob Dylan, and Doc Watson were first heard. In the 1960s and 1970s, concerts of world music—Indian ragas, Balinese gamelan, Andean panpipes—drew large audiences at universities, thanks in part to the burgeoning field of ethnomusicology. Cambridge, Massachusetts, is a center for new acoustic, folk, and women's music. Towns like Berkeley, California; Boulder, Colorado; and Charlottesville, Virginia offer congenial environments for writers, sculptors, ceramists, acoustic musicians, and printmakers, with or without academic affiliation.

Philanthropy for Writers

Ideally, the decline of the NEA will usher in an era of imaginative philanthropy. In this regard, we can glean mixed lessons from the support that has historically been available to creative writers. Every year since 1985, 10 or so young authors—novelists, poets, and essayists with one or two books to their credit—receive a phone call out of the blue from the Mrs. Giles Whiting Foundation. The Whiting Writers' Awards, currently $30,000 each, are enough to stake frugal writers to at least one highly productive year on whatever projects they wish, no strings attached. (The NEA awards to writers are lower—$20,000 apiece—and require an elaborate application process that favors those skilled in bureaucratic ways.)

A second model of support for needy writers once came from the initiative of the late poet James Merrill. With income from his Merrill Lynch inheritance, he established the Ingram-Merrill Foundation with an active, voting board. From the late 1950s until his death in 1995, when the foundation spent itself out of existence, struggling writers could apply for small or large cash grants. Merrill set an admirable and imaginative example of generosity that other artists of means can well follow, especially if they want a shield between their friendships and their philanthropy, as Merrill did.

Thanks to desktop publishing, literary magazines have a better shot at financial independence than ever before.

Long before the growth of MFA programs, the cause of creative writing was furthered by a few thoughtfully envisioned philanthropies for writers in universities. The American playwright Avery T. Hopwood bequeathed a sizable trust for creative writing awards at the University of Michigan in the 1920s, when Robert Frost was writer-in-residence. According to Nicholas Delbanco in *Speaking of Writing: Selected Hopwood Lectures*, more than $1 million in prizes went to student writers in the awards' first 60 years; about $45,000 is now given annually. Beyond encouraging young writers, the legacy has attracted more endowed awards, helping to create a literary environment that supported W.H. Auden, Robert Hayden, Theodore Roethke, and others since. The Wallace Stegner Fellowships at Stanford University, endowed by the Jones family in 1945, have also long sustained emerging writers, including Scott Turow, who recently endowed a writing fellowship in honor of his Stanford teacher Richard Scowcroft.

Programs like the Whiting, Hopwood, In-

Faulkner and Homer photos by Corbis-Bettman; Armstrong by UPI / Corbis-Bettman

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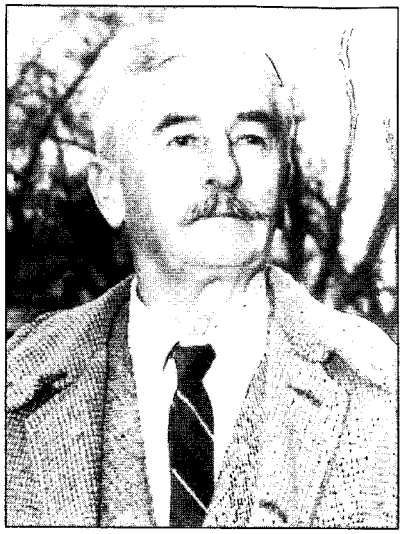
gram-Merrill, and Stegner awards present responsible, imaginative models for philanthropy for poets, novelists, and essayists on the margins of success and profitability. But not all foundations help such clearly deserving writers or give writers such a degree of freedom. A less than heartening example is the John Simon Guggenheim Foundation. Under the visionary leadership of Henry Allen Moe from 1925 to 1963, Guggenheim Fellowships went not only to scholars and scientists but also to promising writers who had not yet established themselves. Moe's intention, as he put it, was to give artists "a leg up," simply by covering expenses for a year or two. For decades, the Guggenheim was the only foundation in the country to perform this cultural service, and it wound up supporting such talents as Richard Wright, Zora Neale Hurston, Langston Hughes, John Updike, and John Cheever—before they won their fame. But under later leaders, the Guggenheim has only intermittently helped highly gifted but needy or obscure applicants. In the view of Martin Morse Wooster, the author of a forthcoming study of the Guggenheim and other cultural philanthropies, the Foundation "is largely giving tenured academics and people with credentials yet one more credential. . . . This is one reason the Guggenheim Foundation is a less and less consequential part of American cultural life."



America's tradition of artistic genius flourished well before government subsidies. Clockwise from right: novelist William Faulkner; jazz musician and bandleader Louis Armstrong; "Fog Warning" by Maine artist Winslow Homer.

The Lila Wallace-Reader's Digest Fund also presents a mixed case. On the one hand, it gives $35,000 grants for up to three years to artists who agree to help part-time at a local community agency while they work on independent projects. It is also gives seed money to promising enterprises, such as a Texas writers project organized by Kay Cattarulla at the Dallas Museum of Art. Cattarulla edits *Texas Bound*, collections of new stories by Texas writers, and engages professional actors to read them in books-on-tape format. Although funding stopped when the project showed it could survive on its own, Cattarulla says, "Lila Wallace was our NEA." On the other hand, Robert Bernstein charges that the Fund has increasingly engaged in "coercive funding," mandating a political and social agenda that he insists is inimical to artistic quality.

What of the Future?

It is impossible to predict with confidence what will happen to arts philanthropy in a post-NEA world. Critics of government programs in general claim that public spending tends to discourage private support. Critics of the NEA in particular contend that it stepped in to fund arts programs previously supported by the Ford and Rockefeller Foundations. And as Alice Goldfarb Marquis shows in her excellent history, *Art Lessons: Learning from the Decline and Fall of Public Arts Funding*, federal involvement in the arts in the 1960s did spring from the initiative of a few influential foundations and studies by affiliated scholars.

Federal support may well have allowed Ford and Rockefeller to move on to other ventures, but the last 30 years have hardly lacked for gifts to the arts, the multibillion-dollar Getty Trust foremost among them. (Its annual expenditures run well ahead of the NEA budget.) H. Ross Perot donated Morton H. Meyerson Symphony Center, an acoustic wonder that houses the Dal-

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las Symphony, in honor of his friend and business associate. Successful artists have pitched in (listen up, Hollywood) to establish the Krasner-Pollock, Warhol, Gottlieb, and Mapplethorpe foundations. In St. Louis, E. Desmond Lee paid off his city symphony's multimillion-dollar debt to the state of Missouri. In Hastings-on-Hudson, New York, Barbara E. Newington recently established the Newington-Cropsey Foundation on the site of her great-grandfather Jasper Francis Cropsey's restored art studio. The foundation exhibits Hudson River School and new figurative painters, operates an atelier for apprentice sculptors, and publishes *American Arts Quarterly*, a journal devoted to movements in architecture, sculpture, and painting that challenge the orthodoxies of late modernism and postmodernism.

Dozens of other examples could be listed, but imaginative supporters of the arts will need to look beyond philanthropy. The arts must embrace their own commercial potential and disregard the embarrassment of lingering elites. Museums now realize a good portion of their income from gift shops and restaurants and from facilities rentals. Orchestras get a healthy take from sales of their recordings. Critics rightly snipe at the "malling" of museums, where posters, gewgaws, and nouvelle cuisine distract attention from the paintings, and at the commercialization of classical music, which plasters comely young soloists on CD covers. But the more art lovers—and artists—that emerge, the more likely it is that fresh commercial approaches will appear. All this will be in keeping with the American way of art. New experiments by young New York artists, who are using makeshift spaces and temporary storefronts to show their work, may herald a shift toward a less intimidating art marketplace.

Replacing NEA Expertise

It is often argued in defense of the NEA that private and nonprofit supporters of the arts have come to rely on the authority of an NEA grant in making their own award decisions. The process works like this: The NEA's panels of experts in, say, dance or creative writing or sculpture give the nod to a certain troupe, small press, or exhibit. Then a private foundation or local agency decides it may safely favor an application from the same group—and spare itself the expense of evaluating the proposal. Some arts administrators say they spend more resources applying for an NEA grant than the grant itself is worth, simply because they need the grant as "leverage" with other funding sources. NEA Chairwoman Jane Alexander claims that NEA grants generate other support at a rate of 12 to 1, making a $10,000 NEA grant worth $120,000. More conservative estimates run as high as 7 to 1 and as low as 3 to 1—still significant leverage.

The NEA's leverage can be seen as a welcome asset bestowed upon arts organizations, but it can just as easily be read as a device for self-aggrandizement. The process gives the NEA a vastly disproportionate role in deciding what and who gets the advantage, and it has a strong centralizing and professionalizing effect. According to some observers, this undermines the health of the arts themselves by divorcing them from local, nonexpert constituencies, people who enjoy the arts but have no professional stake in them. NEA critic Laurence Jarvik recently argued in *Common Sense* in favor of decentralized mechanisms of judgment. "Patrons," he notes, "would have to take fuller responsibility for their own decisions—and local arts groups would have the freedom to consider the tastes of the local communities they serve without regard to the opinions of a federal agency."

Hollywood actors, directors, and producers could do much more to help finance live theater.

Without debating too deeply the wisdom of concentrating cultural power in government-appointed bodies, the question arises: How can the work of expert advisory panels be replaced or otherwise performed?

The answer is surprisingly simple. The panels have doubtless saved money for foundations and other arts supporters large and small, who will soon have to retain their own judges to evaluate the applications they receive. Yet the portion of the NEA budget set aside for professional panels is minuscule. In 1995, the NEA spent $924,000 on panelists' honoraria and travel expenses; in 1996, after budget cuts, $476,000. These figures account for only about 0.5 percent of the annual NEA budget.

Several options suggest themselves for replacing the judging services rendered by the NEA, some resembling the old system, others quite different. Centralized arts organizations already exist in all the fields adjudicated by NEA panelists; many of them already have panels that make awards to individuals and organizations. In the field of writing, these include the PEN American Center, the Academy of American Poets, the Poetry Society of America, and Associated Writing Programs. In music, they include Opera America, the Center for Contemporary Opera, the Ameri-

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can Symphony Orchestra League, and the International Conference of Symphony and Opera Musicians. Composers have the National Association of Composers and the Composer's Theatre. Drama is well-endowed with prizes and professionally well organized under the National Critics Institute, National Corporate Theater Fund, and the New York Drama Critics Circle, which confers important awards.

All these organizations and at least a dozen more can—or already do—impanel experts from their own ranks, as can the larger museums and universities. Further, the Getty Trust, the MacArthur Fellows Program, the Guggenheim, and other prominent philanthropies currently appoint their own judges. In metropolitan areas where artists and arts professionals are abundant, local talent could offer to certify the value of artistic work under consideration for funding, thereby cutting travel expenses. By and large, panels of this sort would resemble the old NEA methodology of centralized expertise and elite professionalism.

But this isn't the only model. Interesting arrangements could arise from a proliferation of judging mechanisms. Let a thousand flowers—or judges—bloom, from small self-selected groups to regional consortia, from impresarios to ad hoc committees, from local patrons to democratically elected bodies, each variously set up to review public art commissions, individual grant proposals, theater-aid packages, endowment campaigns, and the like. These alternative models would take advantage of Americans' penchant for voluntary associations and reverse the controversial rise of elite expert culture in the arts. If judging systems were opened up, if interested lay persons enjoyed more than token status in the evaluation process, it is conceivable that support for the arts would actually broaden.

A Lesson from History

Finally, we need to remember how little American art has ever originated from government grants. Except for sculpture, where 19th-century heroic statuary by the likes of Augustus Saint Gaudens and Anne Whitney came from public commissions, virtually all our best music, literature, painting, dance, and theater sprang from unexpected or unpromising corners. This happened, as the historian Neil Harris notes, in a new nation that lacked traditional European sources of patronage: a state church, a monarch, an aristocracy. For a long time, artists were itinerant figures, painting portraits and homesteads, staging plays and operas, giving recitals and readings, accumulating a tradition of hardship and irreverent individualism that persists in cultural memory—and reality—to this day.

Important painters as often as not drew their inspiration from and worked outside the urban centers, from the Rocky Mountain and Hudson River painters in the 19th century to masters in the 20th: Grant Wood and Thomas Hart Benton in the Midwest, O'Keeffe in the Southwest desert, Winslow Homer in coastal Maine, Andrew Wyeth in Pennsylvania. Regionalism not only defines a large portion of American art history; it also helps accounts for the exciting resurgence of landscape and realist painting today, itself partly a reaction to the tiresome domination of abstraction and conceptualism in major art centers and schools. In this historical context, the demise of the NEA as a powerful centralized authority may augur well for American painting.

Much—perhaps most—of our best work in literature and music in this century has come from outside the centers of money and prestige. The South, our least literate region, gave us great writers like William Faulkner, Flannery O'Connor, Zora Neale Hurston, and John Kennedy Toole. African Americans broke through poverty and race barriers to create the world's most influential music in this century: Louis Armstrong, Duke Ellington, Bessie Smith, Charlie Parker, Ella Fitzgerald, Leadbelly, Muddy Waters, Miles Davis, John Coltrane, Jimi Hendrix.

The demise of centralized NEA authority may augur well for American painting.

If most of the artists I have cited here—and there are dozens more—hailed from unexpected places and stations and faced real struggles, most also got by pretty well or actually prospered. Far from suffering from the Van Gogh syndrome—that tragic complex of poverty, neglect, mad genius, and sexual dysfunction—artists in American history present us with conflicting examples of stalwart individualism and courtly charm, business acumen and hopeless profligacy, indifference to the judgment of established critics and eager pursuit of honors from professional societies. In the twilight of the National Endowment for the Arts, it is the stalwarts, the pertinacious, entrepreneurial, independent spirits—and those with the vision to help them—who stand the best chance of advancing the cause of American art.

***William Craig Rice**, a Bradley Fellow at The Heritage Foundation and the author of* Public Discourse & Academic Inquiry, *is on leave from Harvard University, where he is a preceptor in expository writing.*

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Broken Government Thwarts

From all appearances, federal policy on affordable housing is facing its most searching reassessment in decades. As housing policy comes up for reauthorization in Congress, the decades-old approach of housing low-income tenants in massive housing projects has few defenders in Washington. The Clinton administration seems to favor the demolition of some of the notorious projects, relocating some of their former tenants in newer, largely mixed-income units, and assisting others with vouchers to subsidize their rental of housing in the private market. On the Republican side, Rick Lazio, the chairman of the housing and community opportunity subcommittee, has gone so far as to suggest repealing the National Housing Act of 1937, the basis for all current federal housing programs. In addition, he has advocated potential time limits for public-housing tenants and tougher oversight of corrupt housing authorities.

None of these proposals, however, have challenged the intellectual basis of current housing policy. Both sides have essentially proposed marginal changes intended mainly to ameliorate the worst aspects of public and subsidized housing. Unfortunately, the changes rest on dubious assumptions—chief among them that the problems with our housing policy have stemmed from its implementation rather than its very conception. We are told that public housing might work if only it did not take the form of high-rises and serve mainly the very poor, that low-income housing subsidies should certainly work if only they were provided in the form of vouchers that will open up the private housing market to those in need. But since these proposed reforms ignore the powerful social dynamics that shape neighborhoods, we are in danger of lurching toward a new generation of policy mistakes.

There is another way out of our housing policy problems. Throughout the country, we see innovative models of housing that work and, in most instances, are neither politically divisive nor dependent on government subsidies. This network of privately built and maintained neighborhoods suggests that massive government spending is not needed to help those of low and moderate income find good housing.

The key to understanding what works is a concept called the *housing ladder*: the idea that neighborhoods and the types of homes in them shape the way we organize our society and its social structure. Public officials who understand the housing ladder can help citizens of any income secure good homes and neighborhoods. If we understand its rules, its social dynamics, government can help extend housing opportunities through use of the market and,at most, limited subsidies.

In 1979, geographer Phillip Rees found that socioeconomic status is a universal sorting principle in American cities. People of similar incomes and educational backgrounds overwhelmingly choose to live together. The result: Most neighborhoods comprise relatively similar lots and types of housing. Each type of neighborhood is linked roughly to an income group. Each type of neighborhood represents a rung on the housing ladder.

But the housing ladder is not just a system of physical structures; it's also a social system. Families strive to improve their economic position—to climb to a higher rung. A bigger and better house in a more affluent neighborhood is one of the rewards that market economies bestow upon individuals. Unlike other consumer goods, the value of one's house is, in part, determined by

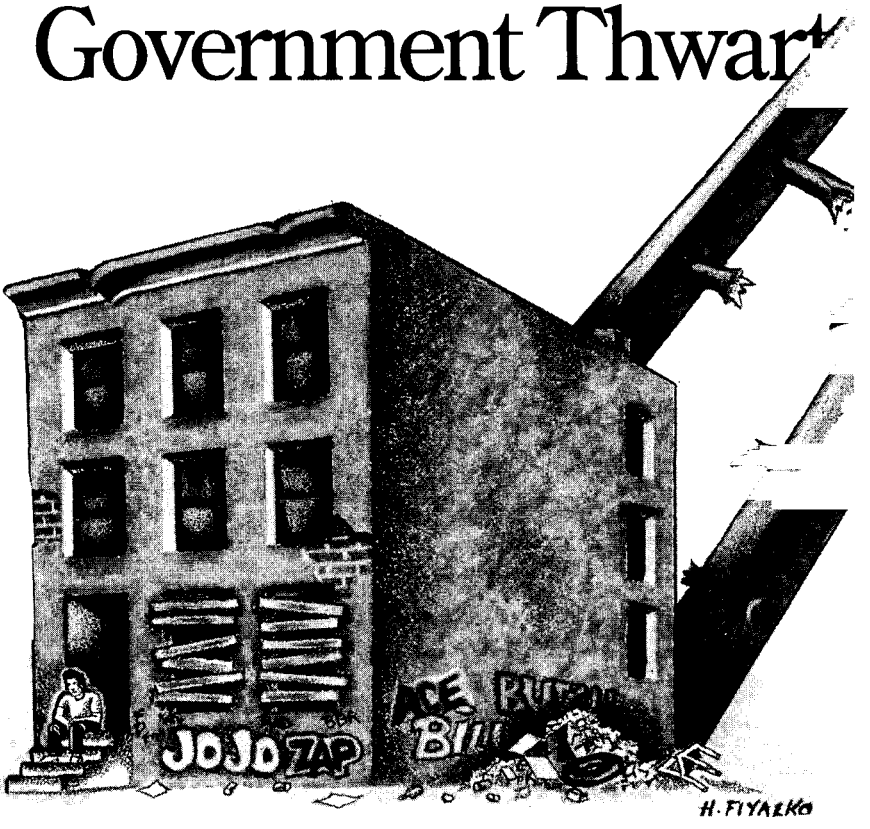

Illustration by Harry Fiyalko

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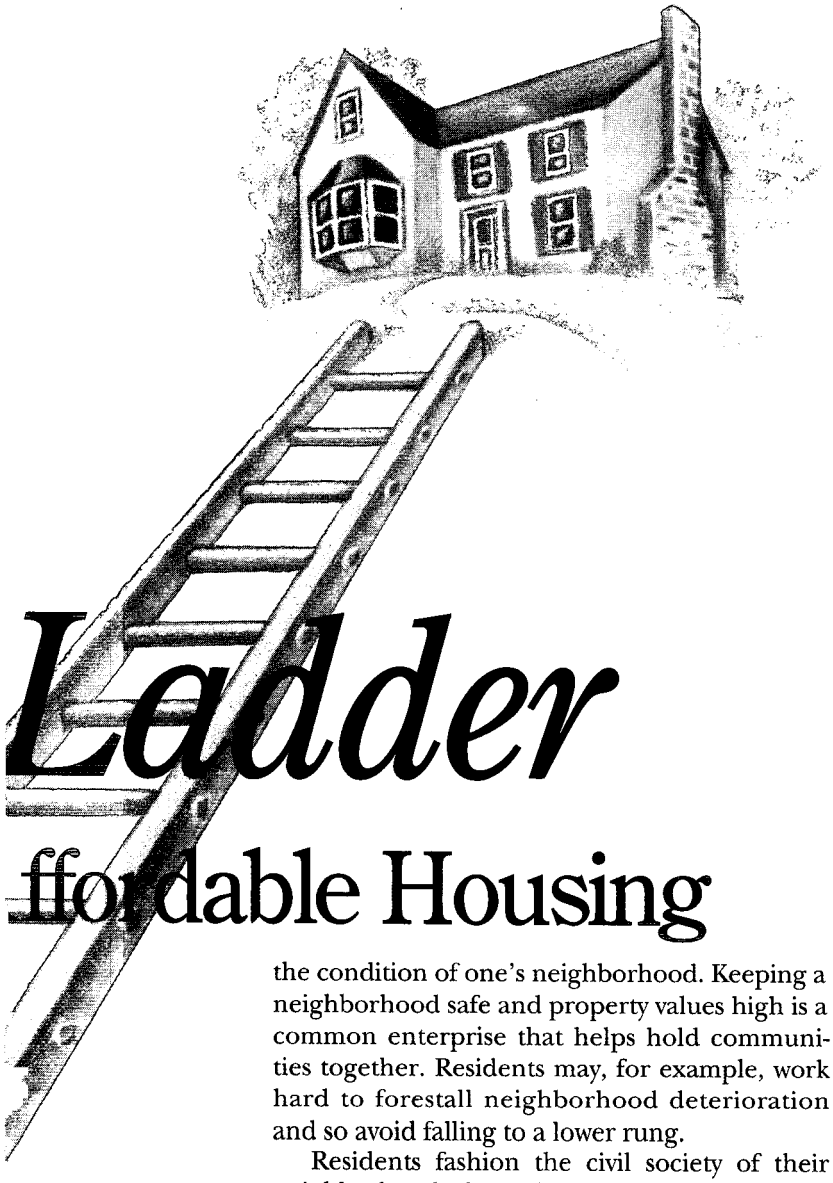
By Howard Husock



Ladder ffordable Housing

the condition of one's neighborhood. Keeping a neighborhood safe and property values high is a common enterprise that helps hold communities together. Residents may, for example, work hard to forestall neighborhood deterioration and so avoid falling to a lower rung.

Residents fashion the civil society of their neighborhoods through myriad activities—organizing crime patrols, volunteering at a local school, or simply doing favors for neighbors—that make an area a better place to live. Every day, citizens join in this confidence-building enterprise to reassure each other that their neighborhood will remain attractive to new buyers, will remain a good place to live and increase in value, and may provide the wherewithal to move up to a more expensive neighborhood.

In general, housing policy is a local matter. Every municipality, every residential neighborhood, plays a role. How a community designs its zoning and building codes both reflects and shapes its sense of where it fits within the housing ladder. Properly maintained, the housing ladder provides a full range of privately owned housing options, from cheap single rooms with shared baths to mansions on large plots. Such an array of choices motivates residents of all incomes to maintain their homes and communities and strive to ascend the ladder to better accommodations. This dynamic is key to preserving the social fabric that holds all healthy communities together. It can be awkward to acknowledge that Americans group themselves on the basis of income and education (which are, of course, related). But such are the unwritten rules of the housing ladder, and we ignore them at our peril.

$384 Billion down the Drain

The housing ladder poses a vexing problem. At the lowest rungs, private builders and property owners may erect structures that society believes are not for fit for habitation. Shacks, urban shanties, windowless tenements, and converted garages and cellars scandalize reformers and legislators. Historically, government's pursuit of decent housing for all has been based on the belief that substandard housing is not simply smaller and less ornate than middle-class housing, but can deprive its inhabitants of life opportunities and threaten their health and safety.

But when policies to improve housing conditions for the poor ignore the rules of the housing ladder, they inevitably fail. Regulations that raise living conditions also raise construction and maintenance costs, thereby reducing the supply of cheap housing. Costly subsidies for housing based on financial need destroys the incentives of the recipients to save money and to maintain the condition of their environment.

The failure of public housing is commonly attributed to the poor management and high-rise architecture of housing projects and their subsidized successors. But its main flaw is that it deprives poor families of the kind of social fabric that wards off lawlessness and decay. Such accommodations are often physically equal to those for which persons of greater means might pay. But they undermine the incentives to maintain the housing stock that undergird communities.

Since 1962, we have spent $384 billion through the Department of Housing and Urban Development (HUD) and its federal predecessors. Yet physical maintenance of housing projects is abysmal: A 1988 study estimated that fixing up the nation's public-housing stock, which houses one-third of the 4 million families receiving housing assistance, would cost at least $30 billion. Social maladies—crime, drug abuse, pregnancy among unwed teenagers—are concentrated in, and sometimes exacerbated by, public housing. A 1989 HUD study found that

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fewer than 10 percent of housing-project families with children are headed by a married couple. Once in the projects, many single-parent families remain, and remain on public assistance.

In contrast, poor owners and so-called tenement landlords (owners of small, multifamily buildings) seeking home improvements once contributed their own time and hired neighborhood tradesmen. Public housing did away with this type of informal system. Suddenly a public bureaucracy, with its bidding rules and standardized procedures, arranges all repairs. The result has been the decline both of physical structures and the civil society of poorer neighborhoods.

Not only does public housing weaken the social structure within, but the lure of larger, less expensive accommodations than families could otherwise afford draws families out of surrounding neighborhoods and thereby undermines them. Denied their supply of low-income tenants, the fragile private housing market in poor neighborhoods may suffer foreclosures and abandonment.

Public housing also rewards those who have not worked and sacrificed to gain their accommodations; their need alone is considered qualification enough. Absent subsidies, the price of housing serves as a way to separate those among the poor with good work habits and strong family bonds from those who lack them. Public housing deprives low-income citizens who are ambitious and self-sacrificing of an incentive to distance themselves from those who are not. In so doing, it inhibits the formation of strong communities on the lower rungs of upward mobility.

It can be argued, of course, that we have learned from our mistakes in public housing. But we have ignored the true lessons from this failure. As a result, we've developed alternative policies that offer no significant improvement.

Housing vouchers. Housing vouchers, which now account for a third of the nearly $8 billion spent annually in federal housing subsidies, offer a dangerous, perverse incentive. In effect, they offer tenants a chance to move to higher-income, or slightly less poor, neighborhoods without having raised their own incomes. By rewarding need, not achievement, vouchers send the wrong message to those they subsidize and threaten to introduce social problems to the neighborhoods into which voucher-holders move.

Subsidized construction. Even as our cities bristle with the remains of previous utopian housing visions, we have embarked on a vast new round of subsidized housing construction—one in which government's role is indirect but crucial. This new approach still produces subsidized rental complexes, but relies on nonprofit community management groups to oversee them. Its premise is that the flaw of public housing has been poor management by housing authorities. Nonprofit groups, it is thought, will do better.

The National Congress for Community Economic Development has estimated that there are more than 2,000 nonprofit, community-based development organizations (CBDOs) in the United States. Most of them—about 88 percent—help create so-called affordable housing: subsidized units for those of lower income. Between 1987 and 1991, these organizations alone produced at least 87,000 housing units, many of them renovations of older apartment buildings in poor neighborhoods. In doing so, they have relied mainly on federal support. Community-based development organizations depend largely on federal tax credits and housing subsidies. But some of the same problems that have dogged public housing, including maintenance problems, are already developing in these new projects.

Public housing undermines civil society in poorer neighborhoods.

A common belief among public-housing advocates is that private ownership and production of housing will inevitably ill serve those of modest means. There is good reason to question this core belief. For much of this century, housing reformers have tried to eliminate overcrowded, unsafe, and unhealthy conditions deemed intolerable in a wealthy and compassionate society. In so doing, they have also removed many of the lowest rungs of the housing ladder. The utterly predictable reduction in the supply of affordable housing has in turn been used to justify massive government subsidies.

Models of Private Housing

It is time to rediscover the virtues of privately owned low- and moderate-income housing. What follows are descriptions of initiatives in cities across the United States that help create those rungs on the housing ladder needed to generate good, safe neighborhoods and offer social and economic upward mobility. Each initiative represents its own rung on the ladder. They have been chosen not as programs to be slavishly imitated, but as examples of how a housing policy might take shape when it is based on less regulation, less subsidy, and more attention to the social forces at work in neighborhoods.

San Diego's SRO housing. After World War II, urban renewal programs to raise housing standards decimated the supply of single-room-

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occupancy (SRO) units. Between 1974 and 1983, 896,000 housing units in the United States renting for less than $200 a month, many of them single-room units, were demolished.

San Diego, California, was no exception. Downtown redevelopment led to significant demolition or conversion of the city's SRO stock, which declined 25 percent from 1976 to 1985. In recent years, however, more than 2,700 new or renovated, privately owned, single-room units have come into the market, most built and run without public subsidy. For this we can thank subtle but crucial regulatory changes that reduced construction costs enough to allow SRO developers to keep rents in line with their low-income market.

To lower costs for private developers of SRO housing, city agencies permitted new SRO hotels in inexpensive commercial zones on the fringe of downtown; exempted SROs from complex zoning and planning reviews; secured state permission to reduce the minimum room size for single-room units and allow rooms to have partial baths and shared showers; allowed builders to satisfy building codes in the cheapest way consistent with safety; and waived regulations for minimum parking, sewer capacity, and other requirements on a case-by-case basis.

Baltimore's minimal rehab model. The decline of inner-city neighborhoods after World War II prompted the federal government to subsidize the interior renovation of buildings in older neighborhoods through so-called gut rehabs. The costs of renovation were higher than the rent rolls in poor neighborhoods could ever support. To draw private owners and managers into the low-income housing business, therefore, the government provided subsidized mortgages for owners and rental subsidies for tenants.

Because much of their rent is paid for by the government, tenants lack leverage to demand proper upkeep and maintenance. Owners, in turn, have neither opportunity nor incentive to screen tenants for ability to pay rent and stay out of trouble. Such renovations are extremely expensive and disrupt the housing ladder. They minimize the incentive to move up, because residents are unlikely to acquire with their own income accommodations equal to what they've gained through subsidy.

A small project called City Homes, Inc., in Baltimore, has a different approach: reduce rents and satisfy societal norms for decent housing by lowering the costs of renovation. To keep costs and rents low, City Homes emphasizes repair over replacement. It retains as much of the existing interior as possible and avoids unnecessary amenities.

The City Homes minimal-rehab approach does not require waivers from housing codes. It does require a willingness on the part of local and state officials to commit low-interest mortgage money to a project that is not a gut rehab. City Homes has renovated 243 row homes for an average of $12,000 each, and charges rent of $268 a month.

Because its costs are low, it can choose only tenants with a demonstrated ability to pay and willingness to maintain their households. The combined effect of reduced costs and good screening policies is the creation of a new, low-end rung on the housing ladder: nonrent-subsidized, low-income tenants who seek the chance to begin the process of upward mobility.

Creating homeownership opportunities. Homeownership is critical to the housing ladder system. Ownership gives lower-income families a stake in maintaining their property, increasing their investment, and moving up the ladder. Unfortunately, older, distressed urban neighborhoods sometimes offer little assurance that one's investment will be worthwhile.

Many builders recognize that another approach is possible: housing that is affordable not because it is subsidized but because it is cheap to build. The key to these opportunities for low-cost homeownership is open land, in the form of urban lots that are vacant or occupied by abandoned buildings. Two of the largest organizations engaged in such construction are nonprofits: the Nehemiah Plan Homes, in New York City, and Habitat for Humanity, the national organization headquartered in Americus, Georgia.

Housing vouchers take away the incentive to maintain good work habits and strong families.

Nehemiah develops attached, single-family homes, owned by their residents, in once derelict areas. Nehemiah has, since 1984, built some 2,500 homes—mostly small row houses selling for between $51,000 to $73,000 on cleared land in Brooklyn and the Bronx. It is financed by two consortia of African-American churches, which provide no-interest financing by raising enough capital to get construction underway. Home sales replenish the capital and pay for the start of the next round of construction. In addition, Nehemiah homebuyers have received low-interest loans from a state agency.

Habitat for Humanity, which uses donated materials and volunteer labor, has become the 14th-largest homebuilder in the United States.

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Between 1984 and 1995, Habitat's 1,100 local chapters built some 40,000 modest single-family homes. The homes sell for as little as $30,000. Like Nehemiah, Habitat is self-financed, relying on donations for its capital. Unlike Nehemiah, it provides its own mortgage financing at no interest and redirects mortgage payments toward new construction. The homes it sells for $30,000 are typically valued at $50,000 or more. Often they are built on land given by government and improved through community-development grants.

Private markets give homeowners an incentive to improve the character of their neighborhood.

Both Habitat and Nehemiah sell homes at below-market cost. They are, in other words, responding to that central complication of the housing ladder: the social consensus that we should not let the for-profit market alone provide housing at the bottom rungs. By deciding not to use price alone as a way to discriminate among buyers, Habitat and Nehemiah use other means that assure them of the reliability of their owner-occupants. Nehemiah looks for proof of ability to make payments, while Habitat uses both economic criteria and a questionnaire about personal character. Both groups limit the right to resell to discourage quick speculation.

Accessory apartments in Long Island. I have not advocated bringing subsidized rental programs to suburban locations. Such projects are likely to create a political backlash and to send the wrong message to less affluent families. Nevertheless, suburban municipalities need to recognize that neighborhoods change as the demand for housing types changes. Municipalities that adjust can continue to attract new residents and ensure stable or rising home values.

One model is laws that allow the creation of an accessory apartment in single-family homes, in effect converting them to two-family structures. Accessory units create a slightly lower, more accessible rung on the housing ladder for young, upwardly mobile residents. In the 1970s and 1980s, for example, many older, middle-class homeowners in the Long Island suburbs of New York found themselves paying high property taxes for homes with more space than they needed. So they began to rent out illegal accessory apartments, often converting basements or garages into separate living quarters. By changing their zoning laws, seven towns on Long Island, New York, helped to create thousands of new, legal housing units in the past 15 years.

It can be argued, of course, that the advent of accessory apartments is nothing less than a sign of deterioration. The fact is, however, that neighborhoods don't have as much choice as they think as to which rung they will occupy on the housing ladder. Acknowledging and adapting to incipient changes seems like a far better strategy than prohibition.

Some sort of subsidies are involved in some of the examples cited here. Such subsidies are limited and not necessary for the long-term financial management of the projects. Moreover, they are offset by the value of these examples' other attributes: low-cost construction, homeownership, and zoning and building code changes that enlarge our housing supply.

The transition to a housing policy that recognizes and rebuilds the housing ladder will be neither easy nor instant. The existing system of public and subsidized housing has powerful backing from various interest groups and bureaucracies. Finding humane ways to phase out these programs and incorporate public housing into the housing ladder will be difficult.

In addition to the practical and political obstacles to restoring the housing ladder, our society must also make a psychological transition. Somehow we must learn to accept the existence of poor, at times shabby, neighborhoods. Housing reformers discount the possibility that such neighborhoods can still serve their residents well, and that those residents might accept the challenge to improve their neighborhood or to improve their own prospects for moving elsewhere. Again and again, in American cities, the impulse to bulldoze poorer neighborhoods—lower rungs on the ladder—asserts itself. But there is no way that all neighborhoods can be middle class or better. And there is no sustainable way to replace inexpensive housing with a publicly subsidized alternative.

I do not propose specific new programs. The housing market is intensely local; officials must respect the market and make sure that regulations do not unnecessarily impede it. Rather, I offer a vision of incremental improvement, through individual initiative, altruism, and deregulation. The time has come for an approach that respects the way in which the private market improves the social character of neighborhoods. The restoration of the housing ladder will help not only the poor, but all of civil society.

Howard Husock *is the director of the Case Study Program at Harvard University's John F. Kennedy School of Government. This article is adapted from "Repairing the Ladder: Toward a New Policy Paradigm," published by the Reason Foundation in 1996.*

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"There You Go Again"

Liberal Historians and The New York Times *Deny Ronald Reagan His Due*

On December 15, 1996, the *New York Times Magazine* published Arthur M. Schlesinger Jr.'s recent survey of 32 historians and other "experts." He had asked them to rate every U.S. president as "great," "near great," "average," "below average," or "failure."

Three presidents were ranked as "great": George Washington, Abraham Lincoln, and Franklin Roosevelt. Six were rated "near great": Thomas Jefferson, Andrew Jackson, James K. Polk, Theodore Roosevelt, Woodrow Wilson, and Harry Truman.

The most astonishing part of Schlesinger's poll was the low assessment his panel gave Bill Clinton's most illustrious recent predecessor: Ronald Reagan placed in the bottom half of the "average" category. Sharing this designation were Gerald Ford, Jimmy Carter, William Howard Taft, Chester A. Arthur, and Benjamin Harrison.

To be sure, Reagan generated anything but a consensus among the judges. Seven rated him "near great," eleven saw him as "average," nine considered him "below average," and four graded him a "failure." Still, something is amiss in Reagan's overall grade. A close inspection of Schlesinger's panel invites suspicion that participants were selected as much for the conclusions they were likely to reach as for their scholarly credentials.

Eminent presidential biographers Merrill D. Peterson (Jefferson), Robert V. Remini (Jackson), Arthur S. Link (Wilson), and Robert H. Ferrell (Truman) deservedly made the list. Authors sympathetic to the New Deal and its legacy, such as James MacGregor Burns, Doris Kearns Goodwin, and Alan Brinkley, were represented in abundance. Also there were Lyndon Johnson enthusiast Robert Dallek and left-of-center historian Eric Foner. To top it off, the panel included two liberal Democratic politicians, former New York governor Mario Cuomo and former Illinois senator Paul Simon. Forrest McDonald was the only conservative scholar represented.

Policy Review: The Journal of American Citizenship asked a number of leading authorities on the presidency whether they agreed with the Schlesinger panel's assessment of Reagan. Their answers follow.

—Alvin S. Felzenberg

Alvin S. Felzenberg *holds a Ph.D. in politics from Princeton University. He has taught courses on the presidency there and at other institutions.*

Photo by Bill Fitzpatrick / The White House

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William F. Buckley Jr.: Reagan had the best intuitive sense of priorities of any president in the postwar period, when it became a constant struggle to know what to pay attention to. His designation of the Soviet Union as an "evil empire" froze the blood of international diplomacy, but agitated the moral imagination and did more to advance U.S. national objectives than a year's Pentagon spending. Speaking of which, Reagan was exactly correct in knowing that the resources of the U.S. could not be matched by those of the enemy. His willingness to install theater weapons in Europe, to explore anti-missile technology, and to commit great sums to defense effectively disarmed the potential aggressor. And then who, more resonantly than he, made the case against Big Government? Could he have known that a Democratic president, seven years after Reagan left office, would serve as an echo chamber on the matter of an end to Big Government?

Reagan belongs on Mount Rushmore, and he'll be there, after the carpers die off.

William F. Buckley Jr., *the founder and editor-at-large of* National Review, *is the author of numerous books, including* Up from Liberalism.

A.M. Rosenthal: There was a communist empire and it was evil. Ronald Reagan did as much as any leader in the world to help bring about the end of that empire. He also proved it false, as the Clinton administration now claims in the case of China, that struggling against a foreign dictatorship necessitates consigning to total isolation. President Reagan was able both to keep up the pressure on the Soviet Union militarily, economically, and politically and to maintain contact with its leaders because it was to their interest to do so. I think all this certainly raises Mr. Reagan to the status of above average.

I think it is silly for contemporaries of a president to try to fit him into a permanent historical niche. I would expect that, as time went on, history, if not the historians, will judge him as near-great for his contribution to the downfall of the evil empire.

A.M. Rosenthal *was the executive editor of the* New York Times *from 1977 to 1986.*

Henry Kissinger: Reagan's was a near-great presidency that reversed the dominant trends of domestic policy. In foreign policy, he combined hard-headed realism with Wilsonian idealism that hastened victory in the Cold War.

Henry Kissinger *was secretary of state from 1973 to 1977 and is the author of* White House Years, *and* The Necessity for Choice: Prospects of American Foreign Policy.

Jeane Kirkpatrick: Nothing but liberal prejudice can prevent some distinguished Democrats (which most historians are) from discerning the extraordinary achievements of Ronald Reagan. I mention just two: his crucial role in rebuilding American and Western military strength after a period of Western decline and Soviet expansion, and his great success in demonstrating the superiority of free markets and free societies over socialism—especially, but not only, Marxist socialism. His leadership in these achievements strengthened peace and expanded freedom.

Jeane Kirkpatrick *is a senior fellow at the American Enterprise Institute and the author of* The New Presidential Elite *and* The Reagan Phenomenon. *She served as U.S. Representative to the United Nations from 1981 to 1985.*

Michael Barone: Reagan clearly deserves a rating of near-great. This is a president whose deliberate policies produced seven years of economic growth with low inflation after Democratic economists said that was impossible and won the Cold War when almost no one in either party believed that could happen. These were not just accidents. They were the intended results of policies adopted and supervised by Reagan personally, very often against the advice or attempted manipulation of his own advisers. Anyone who doubts that Reagan took charge on these issues should consult David Stockman's *The Triumph of Politics* on economics and Lou Cannon's *Reagan* and Don Oberdorfer's *The Turn* on policy toward Russia.

Michael Barone, *a senior staff editor at* Reader's Digest, *is the co-author of* The Almanac of American Politics, *and the author of* Our Country: The Shaping of America from Roosevelt to Reagan.

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Forrest McDonald: I was one of the 32 historians Schlesinger asked for a ranking, and I was one of the seven who ranked Reagan as near great. My reasons were Reagan's monumental achievement in bringing about the destruction of the Evil Empire and, domestically, his making the nation hold its head high again.

***Forrest McDonald** is a professor of history at the University of Alabama and the author of 15 books, including* The American Presidency: An Intellectual History.

Martin Anderson: One hundred years from now, when reasonably objective historians look back, they will rank Reagan as a great president, right up there with Washington, Lincoln, and Roosevelt. Why? Because, like those three, he presided over epochal changes: On Reagan's watch, the philosophical idea of communism went belly up, the Soviet empire collapsed, and the threat of global nuclear war vanished.

***Martin Anderson**, a senior fellow at the Hoover Institute on War, Revolution, and Peace at Stanford University, is the author of seven books, including* Revolution: The Reagan Legacy.

Joshua Muravchik: Just as a body of conservative opinion was unable to reconcile itself with "that man in the White House" (FDR), a mirror-image body of liberal opinion has treated Reagan in the same way, utterly blind to the greatness of his presidency, which deserves to be ranked with Roosevelt's. Never mind the accumulated federal debt, nor even the pathetic self-deception about trading arms for hostages. The big picture is that Reagan assumed office when America's Cold War strategy of containment was crumbling, and its morale and self-confidence was at a nadir. Reagan reversed all that and led us to victory over the mightiest foe we have ever faced.

***Joshua Muravchik** is a resident scholar at the American Enterprise Institute and the author of* The Imperative of American Leadership, Exporting Democracy, *and* The Uncertain Crusade.

George H. Nash: As the 1980s recede into history, three achievements of Ronald Reagan loom larger. In a time of dangerous drift and malaise, he restored Americans' sense of self-confidence and greatness. He transmuted American conservatism from theory to practice, undermined the intellectual pretensions of long-regnant liberalism, and decisively shifted the paradigm of political discourse for the rest of the 20th century. Above all, he mobilized the resources—rhetorical, military, and diplomatic—that put Soviet communism on the road to extinction. As time passes, Reagan's stature rises—a sure sign that he will be remembered as one of our most successful and important presidents.

***George H. Nash** is the author of* The Conservative Intellectual Movement in America Since 1945. *He has recently published the third volume of a multivolume biography of Herbert Hoover.*

Alonzo L. Hamby: In general, historians probably should abstain from ranking presidents elected during their adult lifetimes. They are, after all, no more exempt from ideological conviction and partisan inclination than the regular contributors to the *New York Times* op-ed page. In practice, however, none of us observe that rule, so here goes.

When passions cool after a generation or so, Ronald Reagan will be widely accepted by historians as a near-great chief executive. The faults of his presidency have been amply publicized. Supply-side economics was at best a partial success, because the president was better at talking about reducing government than actually accomplishing the goal; the result was a manageable but undeniably burdensome increase in the national debt. Americans, moreover, while not wanting a president to be a micromanager, generally expect a higher degree of engagement than Reagan demonstrated with many of the issues of his presidential tenure. Yet Reagan uplifted a depressed national spirit with his rhetoric, revived a sick economy, and established a policy course that won the Cold War. He may not end up on Mount Rushmore, but more than any other president since Truman, he will be a contender.

***Alonzo L. Hamby** teaches American history at Ohio University. His most recent book is* Man of the People: A Life of Harry S. Truman.

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We Wuz Robbed!

The Subsidized Stadium Scam

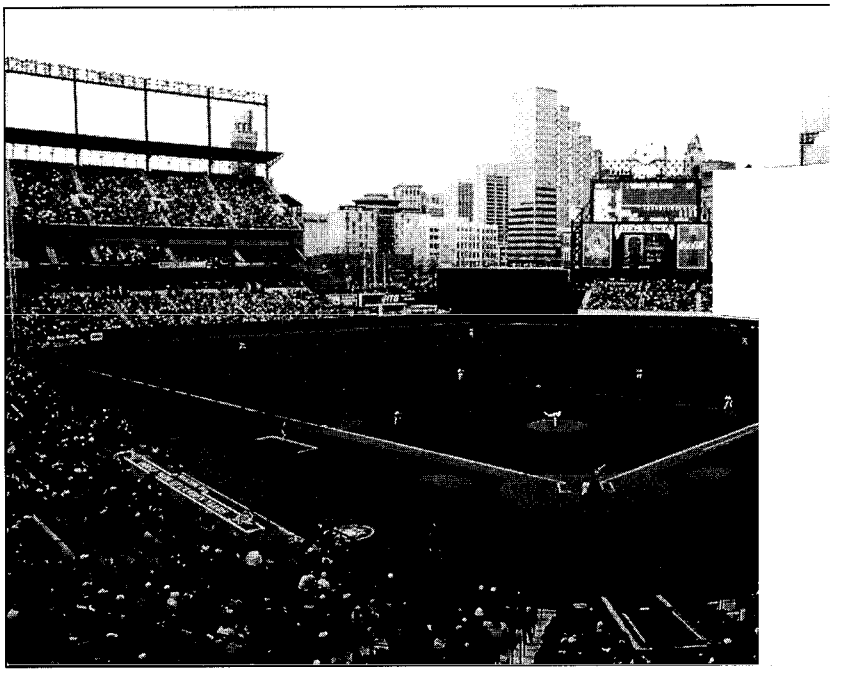
By Raymond J. Keating

Spring is upon us, and the thoughts of all right-thinking Americans turn to baseball. The crack of the bat and the sight of neatly mowed grass on a sunny day stir us in much the same way as they did our parents and grandparents, and hopefully will do for our children.

Yet a shadow—the shadow of big government—looms over the great pastime. While the actual sport of baseball is an excellent metaphor for the free market (illustrating how individuals and teams work together and compete against one another), at the professional level nearly all the teams play in government-owned or government-subsidized ballparks. Boston's Fenway Park and Chicago's Wrigley Field are not only rare gems from the perspective of baseball's traditions, but also from the perspective of sound economics—both were privately built and are privately owned.

In baseball, as is the case with all professional sports today, socialism and corporate welfare have run amok. Taxpayer subsidies for multimillionaire owners and players anger even the most ardent baseball fans, not to mention millions of other taxpayers who care little about the national pastime. The only individuals undeterred by this unsavory arrangement are politicians and team owners.

Indeed, state and local officials across the nation are frantically spending billions of dollars on new facilities for baseball, football, basketball, and hockey teams. Team owners pit city against city, and state against state, in the scramble for new sports venues with revenue-generating seat licenses and luxury suites.



The Orioles' widely praised stadium at Camden Yards set taxpayers back $24 million.

Photo by Reuters / Corbis-Bettman

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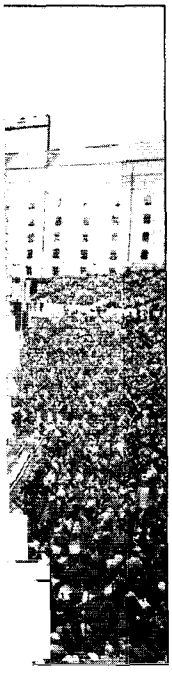
Seattle. Officials here simply ignored the voters' opposition to paying for a new stadium for the Mariners. In September 1995, King County taxpayers voted against a hike in the sales tax to pay for a new ballpark as well as repairs to the Seattle Kingdome, present home of the city's baseball and football franchises.

But just weeks later, the Mariners entered the American League playoffs for the first time and triumphed over the New York Yankees. This exciting performance stirred state and local officials to reject the vote of the people. In October of that year, the state legislature and the King County Council approved a $320-million plan for a new stadium. The Mariners offered to pitch in $45 million, while state taxpayers were on the hook for $105 million and county taxpayers for $170 million. Then-governor Mike Lowry, and then-county executive (and current governor) Gary Locke—both Democrats—led the charge.

A year later, however, the estimated price tag jumped to $363.5 million, plus a parking garage costing $20.5 million. One member of the Public Facilities District board, which oversees the project, cavalierly noted that the project budget could be increased because the taxes designated to pay for the ballpark were generating more revenues than expected. Another board member claimed, "This isn't an overrun. This is just part of the design process."



The team later grew irritated with project delays, and put the team up for sale. Proving that welfare for baseball was bipartisan, U.S. Senator Slade Gorton, a Republican, stepped in to help. The Mariners will stay in Seattle, having been promised a new ballpark by 1999 and more revenues than originally negotiated. Taxpayers got stuck with an additional bill of $50 million for the costs of extra borrowing, police details, clean-up, and litigation. The estimated price tag for the ballpark now totals $380 million, plus $26 million for the garage.

Milwaukee. In Wisconsin, not even a prominent conservative leader and leading welfare reformer could resist the siren song of corporate welfare for baseball. Republican governor Tommy Thompson lobbied hard for a boost in the sales tax to pay for a new stadium for the Milwaukee Brewers. Previously, in the spring of 1995, Wisconsin voters overwhelmingly rejected (by 64 percent to 36 percent) a sports lottery for a new ballpark. Nonetheless, in October the state legislature passed a plan to build a $250-million stadium, in part with $160 million in direct public funds. The Brewers were to pick up the remaining $90 million, but $50 million of this was to come from a subsidized loan from the Wisconsin Housing and Economic Development Authority. By mid-1996, cost estimates rose to $313 million before the ground was even broken on the new ballpark. To restore the price tag to the original estimate, the builders then cut costs and pushed the opening date back from 1999 to 2000.

In major-league baseball, socialism and corporate welfare have run amok.

Doubts persisted throughout this process that Bud Selig, the Brewers' owner and the acting commissioner of baseball, would be able to raise his team's portion of the financing, even with a 20-year, $40-million deal with Miller Brewing Co. to name the stadium "Miller Park." Eventually, loans were secured from the Bradley Foundation, the city of Milwaukee, and the business community.

Incidentally, the new stadium may be the least popular venture ever undertaken by Thompson, and the sales tax hike cost Republicans control of the state senate. After voting against the tax twice, Senator George Petak changed his mind and cast the deciding vote in favor of the ballpark package. Angry citizens subsequently mounted a petition drive to recall Petak; when he lost re-election, the GOP lost its majority in the senate.

New York. As in many other endeavors, New York City leads the nation in taxpayer-funded projects. Not one, but two new subsidized fields of dreams are in the works for the Big Apple.

Of course, New York City was once the greatest baseball town in America. Yankee Stadium and the Polo Grounds—the former home of the Giants—stood like opposing fortresses on either side of the Harlem River, while the Dodgers played in the intimate confines of Brooklyn's Ebbets Field.

New York's baseball glory faded somewhat after the Dodgers and Giants fled to the West Coast in the late 1950s, and the city became far better known as America's big-government town. In 1964, New York City opened Shea Stadium to house the Mets expansion team, and acquired Yankee Stadium in 1971, remodeling it a few years later. New York's ballparks were socialized, effectively adding its teams to the city's burgeoning welfare rolls.

Now both the Yankees and Mets seek new, taxpayer-funded stadiums. Republican Rudy Giuliani has acquiesced, lest he become known as the mayor who lost the Yankees to New Jersey, where Yankees owner George Steinbrenner

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threatens to flee if he does not get a new ballpark. Meanwhile, the Mets are committed to building a new stadium next to Shea, with some assistance from the city.

Latest estimates place the total bill to the city well in excess of $1.1 billion—about $100 million toward the Mets' $450-million ballpark and more than $1 billion for a new Yankee Stadium. Few expect Steinbrenner's Yankees to pitch in on the funding. "The house that Ruth built" will likely be replaced with baseball's version of public housing built by taxpayers.

San Francisco. One might expect a similar rush to subsidize in liberal San Francisco. San Franciscans have exhibited a streak of commonsense conservatism, however, when it comes to stadium socialism. In recent years, voters have voted down four referenda for new, taxpayer-financed ballparks to house the Giants.

After going 0 for 4, the Giants came to the plate with a proposal for a ballpark initially billed as privately funded. And, in fact, the $262-million Pacific Bell Park will be built and owned by the team. The notion of a new "old-style" ballpark built without taxpayer dollars—with home runs splashing into the San Francisco Bay just beyond the right field wall—would be sure to excite the free-market baseball fan.

Unfortunately, government is still involved to some extent. The land upon which this green cathedral will rise will be leased rather than bought from the city. In addition, the city will contribute $15 million in tax revenues to pay for related infrastructure improvements, and another $4.1 million to buy 3 acres from the state. Still, the financing structure for the Giants new ballpark—with more than 90 percent of the funding coming from the private sector—is quite a feat in today's subsidy-happy stadium environment. Indeed, the private sector has not been so dominant in financing a ballpark since Dodger Stadium opened in 1962.

Show Us the Numbers

Politicians usually appeal to voters' civic pride to make the case for subsidies. Yet they are willing to use any tactic to attract and keep a big-league sports franchise, including disingenuous and discredited arguments about the economic benefits of taxpayer-funded stadium construction. Proponents peddle reports, based on the old Keynesian multiplier, showing that new sports facilities built with tax dollars spur massive economic benefits. That is, the money spent by the builders of the facility and by the spectators attending each game is multiplied by some estimated number to calculate the total amount of economic activity supposedly generated by such venues.

This analysis, however, ignores a key economics concept—the substitution effect. Consumers have a limited amount of dollars to spend on entertainment, which will be spent one way or another. If they do not spend money on a baseball game, they spend it playing golf, going to a museum, watching a movie, attending a concert, et cetera. Hence, baseball games don't leverage economic activity any more than any other pastime.

The stadium boosters ignore the tax issue as well. The forced transfer of resources from the private sector to government bureaucrats creates numerous problems. Edwin S. Mills, a researcher at Northwestern University's Kellogg Graduate School of Management, argues that the negative multiplier effect of taxing citizens largely offsets any positive multiplier. "Everybody who pays a dollar in taxes to support the facility must reduce his or her spending," he says. "The diminished spending goes round and round, just like the aforementioned positive multiplier effect." Mills noted that the studies supporting stadium plans "never mention" this countereffect, assuming that "the cost of capital is free."

Why should taxpayers subsidize wealthy team owners and highly paid athletes?

Second, government is far less efficient than the private sector, which will tend to distribute resources to their most productive uses. Resources controlled by the government, by contrast, are often allocated according to political considerations. Government officials also lack the incentive, knowledge, and experience to control costs or to pick winners and losers in the marketplace.

If new stadiums and arenas have economic value—and I believe they do—the market will see that they are built. Indeed, prior to the 1960s, privately built and owned facilities were the rule. In 1950, just one major-league baseball park was government-owned. Today, only seven ballparks are privately owned, and even some of those received government subsidies.

Finally, taxes levied to pay for stadiums raise private-sector costs, diminish incentives for working, investing, and risk-taking, and slow economic growth. In a 1994 Heartland Institute study, Lake Forest College economics professor Robert Baade examined economic data for 30 cities with stadiums over a 30-year period. In 27 cities, he found no positive economic impact from new stadiums; in three cities, a negative impact.

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Baade concluded, "If the opportunity cost is included in cost-benefit considerations, public investments in stadiums may be more than just insignificant; they may be negative."

Only team owners and players clearly benefit from these taxpayer subsidies, because they are relieved of the costs of stadium financing. Indeed, annual debt-service costs can run into the tens of millions of dollars. Such savings boost the bottom line for owners and players. *Financial World* magazine has reported that revenues for teams with new stadiums leap by nearly 40 percent the year a new facility opens. The Cleveland Indians and Texas Rangers both moved into new ballparks in 1994; according to *Financial World*, their franchise values rose by 67 percent and 37 percent, respectively, between 1991 and 1996. Meanwhile, the average franchise value of teams in the league actually declined by 5 percent.

In 1996, each of the five baseball teams that opened new ballparks in the 1990s paid its players an average salary that exceeded the league average by 28 to 51 percent. Each of these clubs landed in the top 10 for total 1996 salary levels paid by baseball teams.

What To Do?

Taxpayers in the future will not easily escape this economic hoax. Between 1987 and 2000, taxpayers will likely fork over almost 60 percent of the $12 billion or more that will be spent on new stadiums and arenas in the four major league professional sports (not counting hundreds of millions more for minor-league ballparks).

State and local elected officials and team owners are in near unanimous agreement that taxpayers should pay for new ballparks. In the states, then, only the voters can put a brake on ballpark welfare. At the very least, the public should have the opportunity to review any taxes levied for new sports facilities. Although polls show the public overwhelmingly opposes taxpayer funding for sports facilities in general, the voting on specific recent proposals has been mixed. But even projects that are approved by voters usually pass by only slim margins, and only after stadium supporters have waged huge public-relations campaigns. The opposition—usually led by groups representing taxpayers or ballpark preservationists—generally cannot afford to match these expenditures.

A study of 27 cities shows no positive economic benefits from new stadiums.

Ultimately, however, I believe federal action will be necessary. First, the unique anti-trust exemption enjoyed by baseball should be extended to the other major sports. A sports league is in no way a monopoly. In effect, professional sports leagues function as partnerships that compete with alternatives in the entertainment industry. Leagues need to control the location of its teams in order to promote stability and loyalty. Notice that major league baseball teams do not jump from city to city as often as franchises in the other major sports. Notwithstanding the threats and bluffs of owners, no baseball team has switched cities since 1972. Even with an antitrust exemption, however, the league itself can partake in city extortion, as Seattle discovered recently when it endorsed the Mariners' threat to move away.

Second, Congress should eliminate the tax break for financing the construction of stadiums. Senator Daniel Patrick Moynihan correctly points out that the current loophole "contributes to the enrichment of persons who need no federal assistance whatsoever." He has proposed legislation to end tax-exempt financing. Specifically, Moynihan's bill would limit tax-exempt debt to $5 million or 5 percent of total stadium construction costs, whichever is less. John Gillespie, an investment banker with Bear Stearns' sports-facility group, recently estimated in *Barron's* that Moynihan's bill would raise stadium costs by 15 to 20 percent. Such added costs should give a few politicians pause before hoisting the burden upon the taxpayers.

Subsidized ballparks are but one symptom of an enormous problem. Absent drastic action, corporate welfare for baseball—not to mention for other sports leagues, businesses, and industries—will probably be with us forever. Therefore, we need an amendment to the Constitution prohibiting federal, state, or local government subsidies and special tax breaks for noncharitable individuals, businesses, or industries.

Such an amendment faces long odds against a host of special interests. If sports have anything to teach, however, it's that we can sometimes expect the unexpected. Many baseball fans, for instance, can still recall the improbable pennant-winning home runs by Yankee shortstop Bucky Dent against the Red Sox in 1978 and by Giant Bobby Thomson in 1951 against the Dodgers. Both blasts, by the way, were hit in ballparks built with private funds.

Raymond J. Keating, *the chief economist for the Small Business Survival Foundation, has just published a new book,* New York by the Numbers: State and City in Perpetual Crisis *(Madison Books).*

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Islands of Excellence

A Congressional Strategy for Community Renewal

By Congressman Joseph Pitts

As Washington lawmakers grapple with the federal government's fiscal deficit, America continues to suffer from a deficit in its social, cultural, and moral resources. Among teenagers, the rates of crime, drug use, out-of-wedlock pregnancy, suicide, and dropping out of school have escalated alarmingly. Every night, four in 10 American children go to bed in a home in which their father does not reside. Fatherlessness and the breakdown of the family undermine the fundamental building blocks of community. In the face of such destructive trends, what can we do?

Conservatives and liberals alike agree that the current welfare system is broken. But they continue to clash over exactly how government policy and private initiatives can help the poor. The time has come for political and community leaders to identify the "islands of excellence" within our low-income neighborhoods that can inform public policy and ensure its success. The newly enacted welfare-reform legislation will expand opportunities for secular and faith-based charities and other nongovernmental organizations to provide services directly to the poor. But we will move forward only when we engage grassroots groups in the decisionmaking process.

This process has already begun in the Commonwealth of Pennsylvania, where I served until recently as a leader in the state legislature. In 1995, when Pennsylvania's policymakers needed information and advice about renewing its distressed communities, we looked to the state's volunteer organizations. Our efforts to build relationships between government officials and neighborhood leaders at the grass roots was a breakthrough for legislative deliberation. Not until many state representatives personally witnessed the transforming work of inner-city neighborhood groups did they recognize this critical component of the battle against poverty.

Arriving by bus in center-city Philadelphia, lawmakers from rural and suburban parts of the Commonwealth spoke with Korean-Americans about urban economic development and toured a faith-based, residential drug- and alcohol-recovery program. The lawmakers met nearly 100 young children at Children of Safe Harbor, a Latino community center in one of the most disinvested neighborhoods in Philadelphia. Hundreds of neighborhood children go there daily for after-school tutoring, drama groups, "chorus time," and arts and craft projects. We also visited People for People, the faith-based job-training center founded by Herb Lusk, a former lineman for the Philadelphia Eagles. Located in the heart of North Philadelphia, People for People has developed cooperative training and job-placement programs with local banks and other businesses in need of responsible, computer-literate employees.

We were astounded at the healing and transforming power of these community-based ef-

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forts. And so we decided to invite the leaders of these organizations to share their success stories at a special session of the state legislature dubbed the "Pennsylvania Community Hope Summit."

Working with Robert L. Woodson's National Center for Neighborhood Enterprise, we first documented proven remedies and methods in such areas as teen pregnancy, drug abuse, economic development, and job creation. We solicited information from a cross-section of the service providers in the state's low-income urban and rural neighborhoods. More than 100 grass-roots leaders then met with state lawmakers in the chambers of the Pennsylvania legislature. This exchange of ideas led to the formation of a permanent Grass Roots Advisory Task Force. Their advice provided valuable insight on topics from welfare reform to corporate tax breaks for community development, and has proved critical to the legislature's review of state regulations.

News from the Front Lines

Were it not for Harriet Henson of Northside Tenants Reorganization, in Pittsburgh, we would not have known how neighborhood groups face tremendous burdens as they seek to comply with tenant-organization regulations or try to evict drug dealers from public housing. Before the summit, we would never have understood how

A Pennsylvania legislative task force offers a model for the 105th Congress.

state and local staffing requirements threaten to close down indispensable private organizations like Philadelphia's Teen Challenge, a drug- and alcohol-rehabilitation haven that boasts success rates of 70 to 80 percent of its clients.

We owe a similar debt to Sylvia Nafziger Charles, the director of Beth Shalom House of Peace, a faith-based residential program in Lancaster for teen mothers with one child. She revealed the job-training restrictions, child-care clauses, and institutional disincentives that hamper teen mothers, even those interested in escaping the welfare system. Beth Shalom claims that every one of the young women who have completed its program in the last four years is now self-sufficient.

Among other benefits, the Community Hope Summit helped generate private funds for a three-day training seminar for 50 local leaders in a small city in my district. Now these leaders are more skilled and have networked with others in the community to develop a shared vision for renewal efforts.

I continue to visit various programs in my area and look for those in need of financial support. I often ask prominent visitors to my district for their help in raising funds for charitable programs. For example, during my 1996 congressional campaign, former vice president Dan Quayle helped me raise more than $25,000 for the youth program of the Water Street Rescue Mission. Many of these groups manage to serve their missions with limited funds. For instance, the Gathering Place, a ministry to AIDS patients in Lancaster, provides a much-needed haven for AIDS sufferers and their families, many of whom are low-income people in need of transportation, clothing, and counseling.

A Plan for Action

These stories exemplify the sorts of partnerships we must replicate at the federal level, where we make decisions every day that affect millions of families and communities. We must draw guidance from what Robert Woodson calls the "community antibodies"—grass-roots leaders working to cure and prevent social ills. These local leaders must communicate with one another and with the policymakers who will determine the direction of reform. To this end, I propose a national Ad Hoc Community Renewal Task Force, similar to the one in Pennsylvania, to draw those closest to community problems into the legislative process. The purpose of the Task Force would be to:

- Elevate the status of volunteer efforts;
- Discuss how neighborhood groups are addressing poverty-related social ills;
- Permit community, faith-based, and non-governmental organizations to exchange information on myriad existing services;
- Expose congressional and executive-branch staff to the expertise of the grass roots.

In Pennsylvania, government officials and local social-service providers are already joining together to alleviate the problems afflicting low-income neighborhoods, rural as well as urban. I intend to conduct a Community Hope Summit in my congressional district in 1997 and will develop a plan for anyone who wishes to replicate it. The nation's legislative leaders have no excuse for their ignorance of the solutions right in their backyards. These local institutions do more than just alleviate suffering; they defend the very moral fabric of our nation. Only when we engage those closest to the problems can we begin to renew our communities.

***Joseph Pitts**, a freshman Republican, represents the 16th District of Pennsylvania in the U.S. Congress.*

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Town Square

NEWS FROM THE CITIZENSHIP MOVEMENT

Groups to Watch

A Study on Civic Renewal

The renewal of "civic engagement" will receive a thorough scholarly look from a new commission chaired by William Bennett and former senator Sam Nunn. The National Commission on Civic Renewal has set out to "to assess the condition of civic engagement in the United States today and to propose specific actions—to be undertaken by the public, private, and voluntary sectors as well as by individuals—that could improve this condition." The commission will issue a report later this year with these suggestions after holding several fact-finding sessions with scholars and community leaders.

To accomplish its task, the group plans to "assemble important scholarly and practical work already under way around the country on the revitalization of citizenship and civic life, and inspire new benchmark studies on the current condition of our citizenship and civic life; spark discussion and deliberation across traditional barriers such as party affiliation, ideology, and race; reach consensus on clear, practical, and dramatic recommendations for enhancing the quality of citizenship and civic life; inspire the creation of new institutions and alliances that can carry these efforts forward after the Commission's work is done."

The group's executive director will be William A. Galston, a former policy adviser to President Clinton and the director of the Institute for Philosophy and Public Policy at the University of Maryland at College Park, where the commission will be headquartered. Its members include clergymen, university professors, corporate executives, and the leaders of community nonprofits.

☛ *The National Commission on Civic Renewal—tel.: 301-405-2790, fax: 301-314-9346, Web site: http://puaf.umd.edu/civicrenewal.*

New Education Reform Group

The Thomas B. Fordham Foundation, of Dayton, Ohio, announced last fall that it had appointed Chester E. Finn Jr., an education scholar with the Hudson Institute, to head its initiative to "renew elementary and secondary education" in America. The foundation will pursue the improvement of schools through advocacy of high academic standards with verifiable outcomes, school vouchers, charter schools, content-based core curricula, and public disclosure of schools' performance. The foundation's first project will be a series of research papers that compares and evaluates each state's academic performance standards in particular subject areas. The foundation will also be working to improve education specifically in the Dayton area.

William Bennett co-chairs a new commission on civic renewal.

☛ *Thomas B. Fordham Foundation—tel.: 202-223-5452, Web site: http://www.edexcellence.net.*

Scholarships a School at a Time

"A Better Choice" (ABC) is the name of a new private scholarship group in Albany, New York, with an usual proposal: ABC is offering school-choice scholarships to every student at Giffen Elementary School, a low-performing school in Albany, to use at a private school of their choice. The fund claims to be the first privately funded scholarship program in the country to offer grants to the entire student body of a school. Students who take the offer will receive 50 percent of the cost of private or parochial school tuition, up to $1,000, for three years or until they leave elementary school. The group also offers three-year scholarships, on a lottery basis, to students at poor schools in Albany, Troy, and Schenectady, New York. The group is the brainchild of philanthropist Virginia Gilder, who would provide more than $1 million if every Giffen student accepted a scholarship.

☛ *ABC is a project of the Empire Foundation for Policy Research—tel.: 518-383-2977.*

School Voucher Update

The National Scholarship Center has released *Just Doing It 3*, its third annual survey of the precollege private scholarship movement. From a single program launched in Indianapolis in 1991, according to the report, the movement had grown to 30 programs across the country by last fall. The funds now give more than 10,000 pupils, mostly from low-income families at poor schools, the chance to attend a private school. Scholarships generally average about $900 per student, totaling about $8.5 million for the 1995-96 school year. The biggest programs are in Milwaukee, where 4,300 students used the grants, and San Antonio and Indianapolis, with about 1,000 each.

All these measures are on the rise, although for the first time, the NSC reports that several groups have folded for lack of money, while other groups have stopped expanding the number of students they serve. The annual report is not exhaustive of all the private scholarship funds, but confines itself to those meeting certain criteria: independent, privately funded scholarships for precollege tuition that offer low-income recipients a broad choice of schools and that require a co-payment from their families.

☛ *National Scholarship Center—tel.: 202-842-1355.*

What Works

Attacking Juvenile Crime

According to the Council on Crime in America, crimes committed by boys aged 14 to 17 will increase by 23 percent between 1995 and 2000. If recent trends continue, much of these crimes will be violent. Congressman Bill McCollum of Florida has introduced a bill in Congress to address the problem of juvenile crime. In a recent Heritage paper, James Wootton and Robert O. Heck, however, note that juvenile crime is primarily a state and local responsibility, and suggest three policies

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to help address the looming crisis. They urge states to try all juveniles who commit heinous crimes as adults and to enact truth-in-sentencing laws to ensure that violent offenders serve at least 85 percent of their sentences.

In addition, the authors propose that states and localities integrate innovative community police work with the efforts of community leaders and other agencies in the criminal-justice system. And they applaud efforts to target and track serious habitual offenders, including juveniles, through SHOCAP, or Serious Habitual Offenders Comprehensive Action Program. SHOCAP combines sophisticated data collection and crime analysis with community police work to identify and track teenage criminals who are habitually violent. The key component is cooperation, among both all local agencies that deal with juveniles offenders—probation and parole offices, juvenile court, social services, schools, prosecutors, and public housing—and also among state and local agencies that collect and analyze data on arrests and incarceration.

☞ *"How State and Local Officials Can Combat Violent Juvenile Crime," State backgrounder No. 1097, by James Wootton and Robert O. Heck, The Heritage Foundation—tel.: 1-800-544-4843, Web site: http://www.heritage.com.*

Enviro-Capitalists

For the past 25 years, argue economists Terry L. Anderson and Donald R. Leal, U.S. environmental policy has mainly relied on command-and-control regulations. But the "growing acrimony" these regulations have engendered, along with the fact that the most biologically diverse lands are privately owned, suggest that a different approach is needed today. That approach—dubbed "enviro-capitalism"—hinges on the ability of environmental entrepreneurs to discover new, private-sector opportunities for improving the environment. "At a time when the electorate is looking for alternatives that reduce deficits and decrease command-and-control policies that intervene in people's lives," they write, "environmental entrepreneurs offer a way of reducing the role of government, lowering the drain on the treasury, and producing amenities more efficiently."

Charles Potter, director of the Delta Waterfowl Foundation, a private, nonprofit organization that seeks to reverse the precipitous decline in North America's duck population, is a typical environmental entrepreneur. Despite increasingly stringent hunting regulations, over the past 40 years, North American duck migrations have fallen from more than 100 million to less than half a million. Biologists attribute the decline to the loss of nesting habitat—"prairie potholes"—on thousands of private farms in the U.S. and Canada. To rescue these potholes, Potter's Delta Foundation launched an "Adopt a Pothole" program. Through land-leases and production contracts, farmers were paid to protect their potholes and increase duck production. Money for the payments was raised from private contributors, each of whom received quarterly reports on its status.

In the 1980s, Tom Bourland, another enviro-capitalist, became wildlife manager of the 1.2 million acres owned by International Paper, one of the largest timber producers in the United States. Under his direction, the company launched its fee-based, wildlife and recreation program, emphasizing three revenue sources: hunting club leases, daily use permits and seasonal family permits. Because this program proved very lucrative, International Paper "bent over backwards to provide habitat for whitetail deer, wild turkey, fox, squirrel, and bobwhite quail, as well as endangered bald eagles and red-cockade woodpeckers."

The growing recognition that "wildlife means profits" has turned landowners into ardent conservationists. On the 825,000-acre King Ranch in Texas, for example, daily tours, including bird watching and other wildlife viewing, cost $40 per person and last from 4 to 5 hours. A special all-day tour is available for $100 per person.

Even the federal government is getting into the act. In 1996, Congress passed legislation allowing some national park managers to raise entrance and user fees to more realistic levels. In so doing, Congress is following the lead of the Texas state parks, where, for an appropriate fee, visitors can participate in a cattle drive, hike through the Chihuahua Desert wilderness and enjoy special nature tours. Through such strategies, the Texas Parks and Wildlife Department hopes to make all its state parks financially self-sustaining.

In the authors' view, the growth of enviro-capitalism vindicates the views

Cornerstone Schools

Touching the Heart of a Child

Teaching Position Available

Cornerstone Schools, three ecumenical, Christ-centered schools in Detroit, seek to hire a teacher to educate 7th and 8th grade students about the moral, philosophic, and economic principles of a free society.

Cornerstone Schools was cited as a "Model School" by the National Education Commission on Time and Learning for meeting all eight recommendations for maximizing the use of time and learning. In August, Cornerstone Schools will be expanding its middle school and opening a new elementary school.

Candidates should have teaching experience in the areas of history, business or economics. Send your resume and qualifications by June 1 to Ms. Ernestine Sanders, Executive Director of Cornerstone Schools.

Cornerstone Schools
1209 Washington Blvd.
Detroit, Michigan 48226

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of Aldo Leopold, a pioneering conservationist. For many years, Leopold's emphasis on economic incentives, rather than government regulation, made him the American conservation movement's "voice in the wilderness." Today, he is increasingly coming to be seen as the movement's truest prophet.
☛ Enviro-Capitalists: Doing Good While Doing Well *by Terry L. Anderson and Donald R. Leal (Rowman & Littlefield, forthcoming spring 1997).*

Cautionary Tales

Philanthropy's Wrong Turn

According to journalist Heather Mac Donald, when they were first founded, the Carnegie, Rockefeller, and Ford foundations provided a "luminous example" of how private philanthropy can improve the lives of millions. But in the 1960s and 1970s, these foundations—along with many smaller groups that modeled themselves on the three leviathans—became radicalized, so that they now constitute "a battering ram targeted at American society."

The results have been devastating. "Progressive" foundations are fighting welfare reform by funding Washington-based think tanks like the Center on Budget and Policy Priorities, whose director won a MacArthur Foundation "genius" award in 1996. They have helped saddle American institutions with a pervasive racial quota system. In the name of multiculturalism, they have striven to undermine the very idea of a common American culture. They have promoted the rise of a host of "victim" groups who use the courts as a way of short-circuiting the democratic process. And foundation-supported "community activists," arguing that "social change" requires "encouraging local adults to engage youth in frank and open discussions regarding sexuality," have tried to undermine traditional values in communities across the country.

Under former White House national security advisor McGeorge Bundy, the Ford Foundation played an especially pernicious role, funding such endeavors as the 1968 school decentralization experiment in the Ocean-Hill Brownsville section of Brooklyn that fractured the black-Jewish civil rights coalition and soured race relations in New York for years afterward. Ford's radical, anti-capitalist orientation led Henry Ford II to resign from its Board of Directors in 1977.

But smaller foundations have also caused havoc. The Edna McConnell Clark Foundation, for example, funded one of the lawsuits that led to the deinstitutionalization of the mentally ill, a major cause of homelessness in America today. Currently, it is generously supporting New York's Legal Aid Society's Homeless Family Rights Project, which has been suing the city for over a decade to require immediate housing for families claiming to be homeless.

Simultaneously, however, it is promoting a tight housing market by bankrolling rent-control advocacy groups like the New York State Tenant and Neighborhood Information Services, thanks to which New York is the only city in America to have maintained rent control continuously since the end of World War II.

Mac Donald believes that the major foundations need to rethink their mission. "The mega-foundations should repress their yearning for activism once and for all. The glories of early 20th-century philanthropy were produced by working within accepted notions of social improvement, not against them." Foundations will cease to do harm only when they sever their ties to the counterculture of the 1960s.
☛ *"The Billions of Dollars That Made Things Worse" by Heather Mac Donald,* City Journal, *Autumn 1996.*

FREELANCE WRITERS

Prison Fellowship in Reston, VA, seeks **contract writers** to draft commentaries for Chuck Colson's radio broadcast, "BreakPoint." "BreakPoint" critiques modern culture and argues persuasively for a biblical worldview.

Requires 5 yrs. experience writing/editing, w/expertise in apologetics, art, economics, education, literature, music, philosophy, or science.

Send resume to: P.O. Box 17500, Washington, D.C. 20041-0500 **or fax to:** 703-478-2709.

Thoughts on Civil Society

Fixing Broken Windows

In 1982, criminologist George L. Kelling and political scientist James Q. Wilson co-authored the now-famous "Broken Windows" article in the *Atlantic Monthly.* They argued that crime and public disorder were closely connected. "If a window in a building is broken and left unrepaired," they wrote, "all the rest of the windows will soon be broken. . . . One unrepaired broken window is a signal that no one cares," and once that signal is widely broadcast, law-abiding citizens will avoid areas with broken windows, criminals will move in, and a heretofore orderly neighborhood will quickly deteriorate into a crime-ridden slum.

In this book, Kelling and his co-author, social anthropologist Catherine M. Coles, have made the idea of public order maintenance—"fixing broken windows"—the cornerstone of a new, community-based approach to law enforcement. Taking issue with the conventional crime-fighting approach that seeks to apprehend predators after they have committed their crimes, Kelling and Coles advocate a preventive strategy of combating public disorder such as "aggressive panhandling, street prostitution, drunkenness and public drinking, menacing behavior, harassment, obstruction of streets and public spaces, vandalism and graffiti, public urination and defecation, unlicensed vending and peddling, unsolicited window washing of cars ('squeegeeing'), and other such acts."

The "crime-prevention" approach to law enforcement was first adopted on a major scale by William Bratton in 1990, when he was appointed to head the New York Transit Police Department and charged with "taking back the subway for the people of New York." Under Bratton, police were encouraged to uphold public order in the subway system first by warning passengers who refused to obey subway rules, then by arresting them if they continued to misbehave. Police soon discovered that many offenders charged with relatively minor public order violations—farebeating, for example—were wanted on serious felony charges, as well. Consequently, the Transit Police's vigorous campaign on behalf of public order caused a major decline in more serious subway crimes.

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In 1994, after becoming New York City's police commissioner under Mayor Giuliani, Bratton applied the approach he had pioneered in the subways to the city's streets. Again, the results were dramatic: "A person arrested for urinating in a park, when questioned about other problems, gave police information that resulted in the confiscation of a small cache of weapons; a motorcyclist cited for not wearing a helmet, on closer inspection, was carrying a 9-mm. handgun, had another in his side bag, and had several high-powered weapons in his apartment; a vendor selling hot merchandise, after being questioned, led police to a fence specializing in stolen weapons. These stories made concrete the importance of dealing with minor problems in order to forestall major problems."

Other cities have begun to emulate New York's successful strategy: In Baltimore, local businesses, police, and security firms have collaborated on so-called Business Improvement Districts dedicated to preventing crime through the restoration of public order; in San Francisco, former mayor Frank Jordan initiated an aggressive Operation Matrix that addressed disorder in various neighborhoods; and in Seattle, city officials are awaiting a decision from the Ninth Circuit Court on the legality of their ordinances prohibiting disorderly behavior on sidewalks.

Police chief Bill Bratton put the "broken windows" theory into practice in New York City.

Kelling and Coles are sensitive to the concerns of civil libertarians, who fear that an order-maintenance strategy will deprive the poor and the homeless of their rights. To avoid such an outcome, they believe that the community and the police must enter into a partnership, "fully inclusive of all racial, ethnic, religious and economic groups," to determine standards of public behavior that are acceptable to everyone. By entering into such a pact, they contend, community members will "publicly indicate that they are conferring authority on officials to act on their behalf" to uphold agreed upon standards. Armed with this authority, police will be empowered to restore public order, thereby "fixing broken windows" and preventing urban neighborhoods from becoming crime-ridden slums.

☛ Fixing Broken Windows: Restoring Order and Reducing Crime in Our Communities *by George L. Kelling and Catherine M. Coles (Free Press).*

No Place Like Home

The reason public housing has become a "a world ravaged by fear, mistrust and hopelessness" is that all sense of belonging to a community has broken down and social life has returned to a Hobbesian state of nature. This is the conclusion of writers Flagg Taylor and Robert B. Hawkins Jr. in *Owning the Dream: Triumph and Hope in the Projects.* Compounding the problem, traditional social-service programs have not encouraged public-housing residents to cooperate in rebuilding a viable community. On the contrary, government-run programs have generated a widespread sense of helplessness by creating a dependent class of clients, "who can only consume the services they are given as professionals continually redefine their 'needs.'"

Fortunately, the growing movement toward tenant management of public housing offers an effective alternative to the failed bureaucratic approach. The first resident management association—Bromley-Heath Tenant Management Corporation in Boston—was formally incorporated in 1971. Initially, it focused on such relatively simple tasks as "coming together to talk about common goals." Gradually, "trust among residents increased and they began making commitments to one another." Eventually, the Tenant Management Corporation was able to break down the sense of isolation and distrust that prevented Bromley-Heath residents from uniting to defeat the drugdealers and violent criminals who preyed on their community. By hiring and supervising its own security patrol—many of whose members were development residents—the corporation "enabled the community to monitor the behavior of its residents and to uphold certain standards of behavior so all residents could enjoy living in a safe neighborhood."

The success of the Bromley Heath experiment in community-building through tenant management encouraged similar efforts in other cities. Eventually, with the help of Robert L. Woodson Sr. of the National Center for Neighborhood Enterprise and HUD Secretary Jack Kemp, federal money flowed to tenant management groups around the country and programs like HOPE (Home Ownership and Opportunities for People Everywhere) offered incentives for privatizing public housing. As a result, in many tenant-managed projects today, the rates of crime and teenage pregnancy have fallen while employment has risen.

The key to a successful tenant management corporation is a renewed sense of community. Such community-feeling can be fostered, Taylor and Hawkins argue, only if local public housing authorities recognize the right of residents to self-government, and not insist that they remain clients of the established social-service system. Another condition for successful community formation is that the tenant managers have the power to establish standards of behavior, and to screen prospective tenants according to those standards. Democratically elected tenant managers must also have the right to monitor behavior, and impose penalties—including expulsion from the development—on those who refuse to abide by the rules.

☛ Owning the Dream: Triumph and Hope in the Projects *by Flagg Taylor and Robert B. Hawkins Jr. (Institute for Self-Governance)—Institute for Contemporary Studies, tel.: 415-981-5353, fax: 415-986-4878.*

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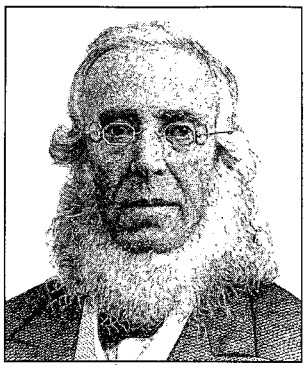
Profiles in Citizenship

A Job-Training Pioneer

Peter Cooper had a simple idea: to build an institution that would enable working-class men and women "to acquire useful knowledge," he once wrote, "and to find and fill that place in the community where their capacity and talents can be usefully employed with the greatest advantage to themselves and the community in which they live." The result was a landmark in the history of American education: a private institution offering free instruction in practical knowledge and technological skills to the general public—the 19th-century prototype of continuing adult education and job training.



Inventor and educator Peter Cooper

Born in 1791, the son of a Revolutionary War officer, Cooper had almost no formal education and was barely literate, yet he had a knack for gadgets and inventions. As an apprentice at age 17, he invented a machine for attaching the hubs of carriage wheels. (During his career, he also invented a washing machine, a compressed air engine, and clarified gelatin, or jello.) Then he went into the business of manufacturing machines to shear cloth. A few years later, he switched to the rapidly growing industry of gluemaking, and was able to capture almost the entire domestic market. In 1828, Cooper established the Canton Iron Works in Baltimore, and the following year built the first steam locomotive in America. With the growth of the railroads, he shifted his wealth into some of the largest iron mills in the country. He later served as the president of the North American Telegraph Co.

Cooper was an early advocate of the idea that wealth is a public trust: "The duty and pleasure of every rich man is to do something in a public way for the education and uplifting of the common man." He knew first-hand the importance of up-to-date job skills and the flexibility to apply those skills to new opportunities. He also realized America's rapid industrialization had two side effects: the collapse of the apprenticeship system of training and huge retraining expenses facing workers shifting to new jobs and industries. This left many American workers (and potential entrepreneurs) unprepared for the ever-changing labor market.

Cooper's answer to these problems was the Cooper Union for the Advancement of Science and Art, which opened in New York City in 1859. The core program was a free night school (since most of its students worked during the day) for general science and the mechanical arts, offering courses such as mathematics, chemistry, architecture, and mechanical drawing. As soon as the school opened, every class was filled. In its first year, it accepted 2,000 pupils (mostly men ages 16 to 59), of whom two-thirds finished the program. Within five years, 25 percent of the students had not only completed the program but had passed voluntary tests to receive a "certificate of proficiency" in their field.

To better the condition of working women, Cooper also started a free vocational School of Design and provided funding for a scholarship program to reward women of "heroic virtues." Initial day courses focused on art: drawing, lithography, etching, painting. No advocate for women's rights, Cooper wanted to prevent women from resorting to menial labor, bad marriages, or prostitution to support themselves.

A public reading room and library were open from 8 A.M. to 10 P.M. to all who were not "unclean, intoxicated, or disorderly"; the facilities were well-stocked with newspapers, magazines, and books to draw the public away from "less desirable places of resort." In 1864, at least 4,000 visitors a week used the library—more than all the other libraries in New York City combined. Cooper Union also offered public lectures on government, political economy, and American history. The Lecture Hall soon became the most prestigious forum on the East Coast, drawing 1,500 attendees on Saturday nights as well as many famous speakers, including Susan B. Anthony, Horace Greeley, Mark Twain, Henry Ward Beecher, and Abraham Lincoln, whose address there all but assured his presidential nomination in 1860.

Cooper's educational programs were always very practical. With the coming of "new technologies," he added courses such as telegraphy (in conjunction with Western Union) and typewriting, and later started an "Inventor's Institute" to encourage new ideas and innovations. Every year, each department was asked to report instances in which students increased their wages due to the added knowledge or skill acquired in class.

Cooper's life's work was an inspiration to later education philanthropists like Andrew Carnegie, Matthew Vassar, and Ezra Cornell. In 1883, the year of his death, the night school housed 36 teachers and 3,200 students and gave out 955 certificates of completion; prospective students were waiting a year to get into the design school. Today, the Cooper Union is a fully accredited, free-tuition private college made up of three schools (art, architecture, and engineering) offering nine degrees to 900 enrolled students. "While I have always recognized that the object of business is to make money in an honorable manner," Cooper wrote, "I have endeavored to remember that the object of life is to do good."

by Matthew Spalding

Matthew Spalding is a contributing editor of Policy Review: The Journal of American Citizenship, *and the co-author of* A Sacred Union of Citizens: Washington's Farewell Address and the American Character (*Madison Books*).

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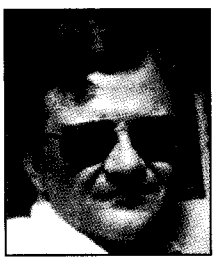

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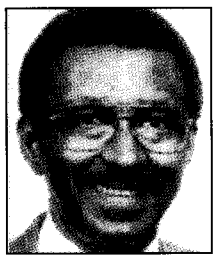

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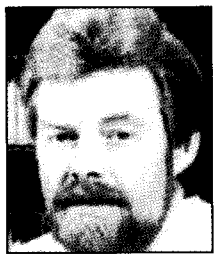

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